THE CHINA WEEKLY

REVIEW

Devoted to the Economic, Political and Social Development of China and its Intercourse with Other Nations

Nanking as a Government in the Making

By R. S. Pickens

Strangeness Of Japan's Present Actions!

Present American Policy in the Light of the Past

Why Not Try American Sardines?

By Geo. W. Missemer

The Tax on Cocoons

By Paul K. Whang

字林西報 論評

SATURDAY, JUNE 18, 1927

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Vol. XLI No. 3.

Millard Publishing Co., No. 4 Avenue Edward VII, Shanghai, China

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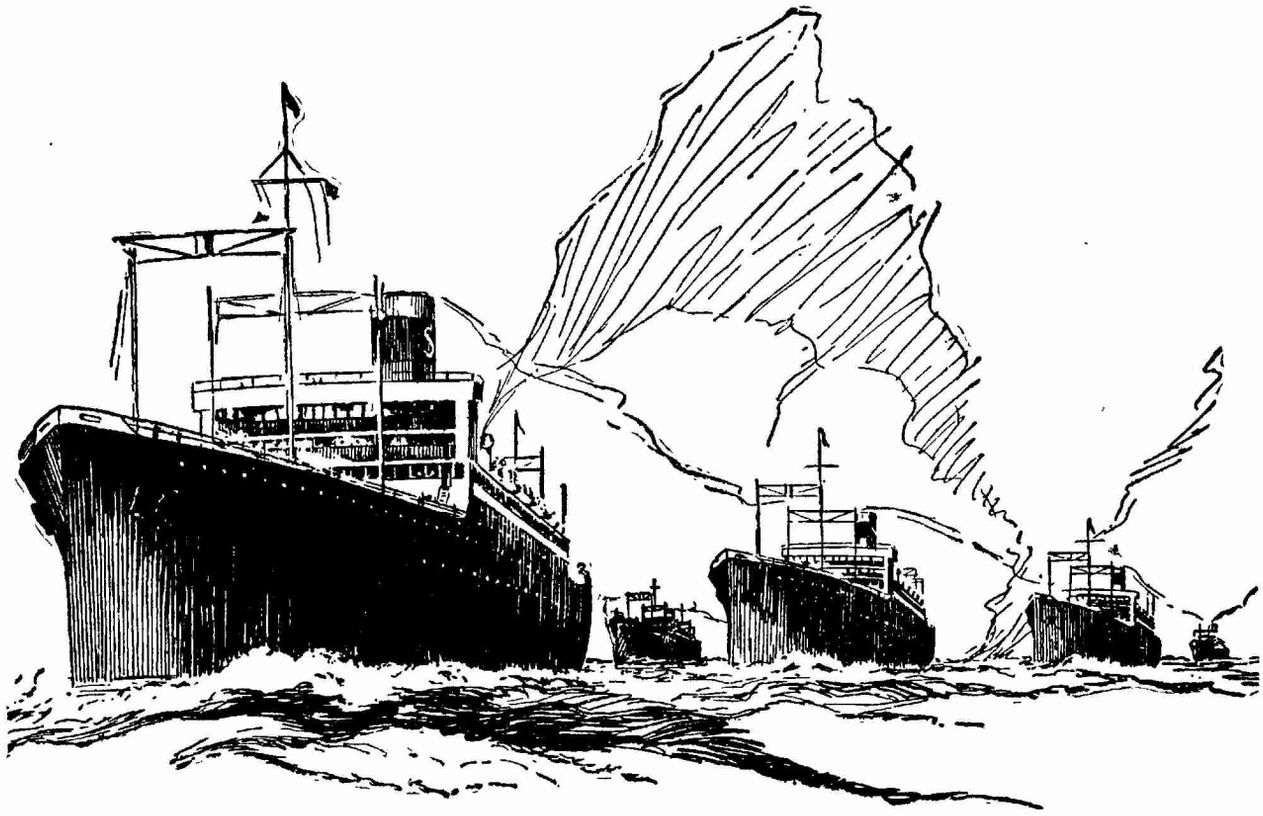

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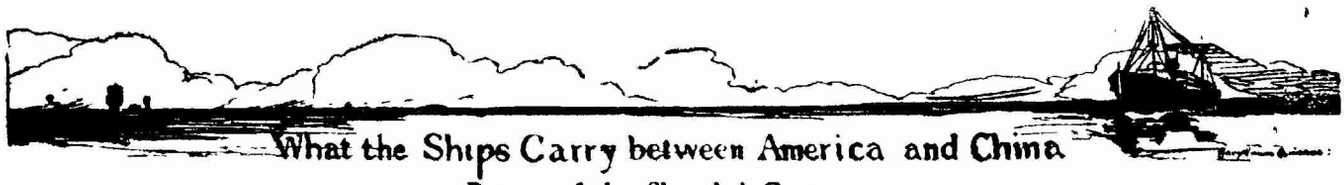

What the Ships Carry between America and China

Return of the Shanghai Customs

Pls.—1 Picul or 133 1/3 pounds; Bls.—Bales; Pcs.—Pieces; Mille—thousands; Hk. Tls.—Haikwan Tls.. Aug. Customs Rate Tls. 1.49 equal Gold $1

PRESIDENT GARFIELD, May 4.

from U. S. A.

Waterproof Cloth	Yds.	1,243
Woollen Yarn	Pls.	7
Cotton Thread, Embroidery.....	,,	33
Aluminium Plates ...	,,	6
Iron Nails, Cut	,,	7
,, Pig	,,	17
Steel Screws	,,	184
Steel, Galvanized: Wire Shorts.....	,,	803
Tinned Plates, Plain...	,,	2,530
Wire Netting and Gauze	,,	50
Cotton Absorbent	,,	17
Bacon & Hams, in bulk	,,	11
Bronze Powder.....	,,	23
Canned Asparagus	,,	10
,, Fruits, Table & Pig	,,	126
Cement	,,	931
Cheese	,,	4
Fruits, Dried.....	,,	25
Glucose	,,	22
Indigo Paste, Artificial: 20 per cent.....	,,	1,440
50 ,, ...	,,	178
Ink, Printing.....	,,	93
Leather, Calf.....	,,	5
,, Patent	,,	5
Leather, Sole, other kinds	,,	410
Leather, Sole, Bellies & Shoulders	,,	142
Oilves	,,	5
Oranges, Fresh	,,	175
Packing, India-rubber..	,,	20
Paints, Unclassed	,,	108
Paper, Writing.....	,,	67
,, Unclassed	,,	1,679
Sugar, of Milk.....	,,	33
,, Cube, White...	,,	20
Sulphur, Black	,,	1,066
Tobacco, Leaf	,,	8
,, Prepared in Tins	,,	6
Twine	,,	10
Pedsteads	Pcs.	182
Machines, Calculating	,,	12
Mirrors	,,	204
Motor-cars	,,	17
Skins, Chamois	,,	30
Typewriters	,,	6
Baking Powder	Doz.	20
Basins, Enamelled	,,	505
Hosiery.....	,,	168
Cigarettes	Mille	130
Chocolate	Lb.	768
Coffee .....Gatties		655
Shoes	Pairs.	3,172
Paint, Enamel	Galls.	144
,, Green.....	,,	50
,, Varnish	,,	204
Paints, Unclassed	,,	1,250
Oil, Lubricating, Mineral	,,	2,742
Dyes, Aniline *Pkgs.* 116	Hk Tls.	8,596
Infants' Food....	,,	1,041
Machinery	,,	58,712
Treasure: Gold Bars	,,	438,746
Silver Bars ...	,,	924,600

WEST HIXTON, May 11.

from U. S. A.

Flour, Wheat.....	Pls.	4,043
Wheat	,,	7,500
Timber: Softwood, Ordinary, Sawn .....Sup ft.		473,506
Softwood, Clear, on Net Measure..Sup. ft.		37,616
Unclassed	,,	8,128
Infants' Food.....Hk. Tls.		658

PRESIDENT CLEVELAND, May 12.

To Manila.

Silk, Raw, not Re-reeled: & not Steam Filature: White, other Ports Bls. 2	Pls.	1.60
Silk Pongees, Shantung	,,	1.35
Beans	,,	1,072
Cotton Socks.....	,,	4
Cotton Yarn, Grey, Shanghai	,,	63
Groundnuts, Shelled..	,,	656
Hams	,,	372
Hemp Skin	,,	10
Lard	,,	483
Nankeens	,,	47
Oil, Groundnut	,,	800
Pears, Fresh	,,	33
Preserves	,,	47
Seeds, Melon	,,	180
Vermicelli	,,	14
Canned Almond Powder	Doz.	160
,, Meats	,,	120
Purses, Leather	,,	297
Eggs, Fresh	Mille	1,496
,, Salted	,,	40
Shoes	Pairs.	1,333
Drills, Grey	Pcs.	450
Sheetings, Grey.....	,,	6,120
Shirtings, White	,,	50
Trunks, Leather	,,	57
Carpets.....	Hk. Tls.	523

PRESIDENT GRANT, May 12.

To San Francisco.

Brassware	Pls.	134
Chinaware	,,	9
Egg Albumen, Moist..	,,	135
,, Yolk, Moist	,,	113
,, Whole, Moist ...	,,	997
Oil, Wood	,,	18,363
Tallow, Vegetable	,,	421
Woodware	,,	16

To Portland.

Walnuts, Shelled.....	,,	41

To Los Angeles.

Brassware.....	,,	17
Egg Yolk, Dried	,,	105

To Pittsburg.

Brassware.....	,,	12

To Charleston.

Hair, Human.....	,,	45

To Galveston.

Brassware	,,	7

To New York.

Silk, Raw, Filature: Wild, other Ports Bls. 20.....	,,	20.40
Silk Waste Cocoons Strippings: Shanghai ... Bls. 12	Pls.	36 84
Silk Pongees, Honan..	,,	8,70
Antimony Regulus ..	,,	840
Brassware.....	,,	108
Bristles, Assorted.....	,,	50
Egg Albumen, Dried ..	,,	239
Hair, Human.....	,,	8
Skins, Goat, Untanned	,,	637
Tallow, Vegetable	,,	336
Wool, Sheep	,,	232
Woodware	,,	5
Skins, Kid, Untanned	Pcs.	2,957
,, Raccoon, ,, ,,		5,204
,, Sheep, ,, ,,		2,144
,, Weasel	,,	1,800
Skin Crosses, Kid ..	,,	1,000

To Boston.

Silk, Waste: Shanghai....Bls. 5	,,	14.55
Skins, Goat, Untanned	,,	428

CORBY CASTLE, May 16.

From U S. A.

Embroidery Thread....	Pls.	15
Iron Pipe Fittings	,,	187
Cheese.....	,,	11
Paper, Unclassed	,,	9
Tobacco, Leaf	,,	364
Twine, ...	,,	6
Machines, Sewing....	Pcs.	1
Cigarettes	Mille	50

from U. S. A.

Cotton Piece Goods, Unclassed	Yds.	1,028
Iron Galvanized: Pipes Fittings.....	Pls.	17
Steel, Galvanized: Sheets	,,	1,403
Tinned Plates, Plain...	,,	1,680
,, ,, Old....	,,	225
Zinc Oxide	,,	336
Asparagus	,,	16
Cement	,,	45
Canned Fruits.....	,,	343
Fruits, Dried.....	,,	11
Indigo Paste, Artificial: 20 per cent.	,,	1,500
50 ,, ...	,,	76
Ink, Printing.....	,,	100
Leather, Sole, Shoulders	,,	145
,, ,, other kinds		278
,, Calf	,,	15
Lard	,,	5
Oranges, Fresh	,,	569
Paper, Coated.....	,,	61
Raisins	,,	752
Soda, Caustic	,,	423
Yeast, Fresh.....	,,	4
Coffee ..... Catties		1,275
Baking Powder	Doz.	110
Basins, Enamelled	,,	25
Hosiery	,,	72
Cigarettes	Mille	500
Lemons, Fresh.....	Pcs.	91,300
Machines, Sewing ..	,,	2
Leather Boots and Shoes	Pairs	149
Shoes, Rubber	,,	1,128
Machinery .....Hk. Tls.		20,939
Dyes, Aniline Pkgs. 64	,,	8,014
Treasure: Silver Bars	,,	618,623

Weekly Cotton Market Report

By J. Spunt & Co.

China Cotton:—Fluctuations in the raw cotton market have been nervous and erratic being influenced by various factors such as the sudden weakening of Mid-Americans during the early part of the week, profit taking, general liquidation of speculative holdings and short selling in the Exchange, all of which were suddenly checked by the later bullish aspect of the situation in Mid-Americans thus neutralising toward the close the undercurrent to depreciate the value of the local staple which remains unchanged with indications of advancing tendencies.

As to the immediate future, the outlook as it appears today does not seem to warrant the expectation of extreme fluctuations, and the probability, therefore, is for a continuance of rather narrow markets until the situation will shape itself in one way or the other in a more decided manner.

On the whole, we fail to see any reason for taking a bearish view of the situation, in that if any temporary weakness should develop in the speculative markets, we could only advise our friends to take advantage of such movements to buy.

Yarn:—We have had an easier market during the past week, with prices declined some two to three taels as compared with last week's level. In all some 8,000 to 9,000 bales of local spinnings have been booked for export during the week under review.

In summing up the situation from all sides, we are still of the opinion that purchases should be made on all reactions.

Liverpool:—

American-Middling	9.03
American-Middling last reported	9.11
Tone of Market, *Steady.*	

New York Market:—

Price of Mid-Amer.	17.10 Spot.
	16.83 July.
	17.22 Oct.
	17.45 Dec.
	17.53 Jan.
	17.75 Mar.

Tone of the market—*Firm*

Indian Market:—

Fully Good Bengal, D./J.	288
Fine Oomra, July.....	322
Fully Good Broach, J./A.	333

Tone of the market—*Steady*

Shanghai Market:—

	Tls.
Tungchow, spot exwharf	33.60
Shanghai, Spot.....	33.00
M. Ginned, Spot.....	33.75
Shensi, No. 1 Spot.....	34.50
Ningpo. Spot, Exwharf .	32.50

Tone of the market—*Firm*

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(*Continued from page 72*)

conference—Panchen Lama departs from Mukden for Inner Mongolia—Premier Tanaka states that in view of the temporary lull in the China situation that the Japanese Minister and various consuls in China will be recalled for a conference—Yasuhiro, president of the South Manchuria Railway expected to resign—Keio University haseball team of Japan coming to Shanghai for a series of games—More than 100 prisoners, after serious fight, break jail and escape in Mukden—Li Ching-fan, representative in Peking for Yen Hsi-shan in *Toho* interview expresses difficulty in arranging understanding between Yen Hsi-shan, Chang Tso-ling and Chiang Kai-shek, one of the chief reasons being that Chiang's troops continue to be successful in their clashes with the Fengtien forces—Gen. Yen Kai-hsin's troops occupy Hoichow—Tan Chao-ao appointed head of Chekiang Fishery Bureau by Nanking Government—Kuomintang branch in Nanking issues badges to applicants for membership—*Kuo Wen* reports that Yen Hsi-shan is planning an early conference to be held in Taiyuanfu to include delegates of Feng Yu-hsiang and Chiang Kai-shek—Sun Chuan-fang and Chang Chung-chang, now in Peking are trying to negotiate a loan with a 'certain foreign bank'—*Kuo Wen* report from Peking states that since the Japanese object to the removal of the legations from Peking that the Americans and British may decide to remain—Chiang Kai-shek invites Han Kuo-chun, fromer civil-governor of Kiangsu to Nanking for conference—Japanese send small force to Tsinanfu capital of Shantung and quarter them in school buildings; Japanese land large supplies of provisions at Tsingtao for use of troops, the *Kuo Wen* agency stating the supplies to be sufficient for one year.

June 14—**Special Committee of Rikken Minseito political party in Japan decides to investigate relationship of China disturbances to Japan's present financial depression—Gen. Shang Chen, Tartar commander of Suiyan Special district, by order of Yen Hsi-shan, tupan of Shansi, assumes office as commander of the First North Army of Nationalist Revolutionary Forces and unfurls Nationalist flag at same time issuing orders prohibiting the use of the old five-barred flag—*Kuo Wen* report from Peking states that Chang Chung-chang is opposed to any compromise with Chiang Kai-shek—Shantung troops continue retreat to town of Yenshowfu; Bei Bao-san's entire force surrenders to Chiang Kai-shek—500 French troops arrive in Tientsin from Shanghai—Central Political Committee in Nanking decides to appoint Dr. Tsai Yun-pai, former chancellor of Peking University as head of the new National University of the Chinese Republic—Nationalist flags now flying in Suiyuan, Kalgan and Tatungfu, Shansi—Fengtien forces decide to withdraw all Fengtien troops to the vicinity of Peking—Chiang Kai-shek goes to front—Nanking Government decides to investigate the status of the *Sin Wan Pao*, important Chinese newspaper at Shanghai which has been opposed to the Nanking Government—Chiang Kai-shek appoints Gen. Li Ching-lin as commander of all captured Northern troops for the purpose of reorganizing them into a new army, supposedly for the purpose of garrisoning Shantung and Chihli provinces after the defeat of Fengtien.**

Tientsin Leads in April Exports to U. S. A.

The following table, compiled at the American Consulate General, Shanghai, shows the totals of the several offices in China for the month of April 1927 of exports to the United States.

(In United States Currency)

Canton	$987,721	Mukden	134,734
Chefoo	73,434	Shanghai	3,946,781
Dairen	268,177	Swatow	32,376
Foochow	14,166	Tientsin	4,501,446
Hankow	2,440,314	Tsinan	65,759
Harbin	670,213	Tsingtao	168,446
		TOTAL	$13,303,567

The Seeret Is Out at Last

The Paris edition of the *Chicago Tribune* for May 30 publishes a despatch from its correspondent at Riga stating that the 'secret' document which the British Government was trying to find and which prompted the raid on Arcos in London, was a treaty agreement which was negotiated several months ago between the Soviet Oil Trust and the Standard Oil Company of New York. Since neither the Standard Oil Company nor the Soviet has made public the terms of the agreement there has naturally been considerable curiosity regarding its contents, particularly in Great Britain. The Riga dispatch containing the foregoing information stated that the break with Britain over the Arcos House raid had inspired the Soviet with renewed desires for concluding an agreement with the United States for defacto recognition, the Russians holding the inducement that they would be willing to transfer to America most of the contracts heretofore placed in England.

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YUSEN, BLDG., MARUNOUCHI

TOKYO, JAPAN

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密勒氏評論報

THE CHINA WEEKLY REVIEW

Formerly Millard's Review

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CONTRIBUTING EDITORS

HOLLINGTON K. TONG, H. F. MACNAIR,
HIN WONG, (Canton) BRUNO SCHWARTZ (Hankow)
CHAS. A. DAILEY (Peking) PEI-YU CHIEN,
WM. STEPHEN WANG (Tientsin) H. P. SHASTRI
SAMUEL H. CHANG (S'hai) LAWRENCE IMPEY (Peking)

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THE STRANGENESS OF JAPAN'S PRESENT ACTIONS!

THE OSAKA MAINICHI recently published in its English edition the following paragraph:

"While the Chinese were fighting in the Yangtsze Valley, London did most of the worrying. Now that the Southerners have crossed the Huangho (Yellow River), it has become Tokyo's turn to be anxious. If the battle ground is shifted north far enough, Moscow may yet be forced to forget all about her anti-imperialism."

Which serves as a fitting introduction for a consideration of Japan's present action in apparently reversing her past policy of "friendship" to something which begins to look considerably like the old Japanese policy which prevailed in the days of the Anglo-Japanese Alliance before the Washington Conference. It is as yet too early to determine just what Japan is planning to do, but some 2,000 troops have been landed at Tsingtao in Shantung province and probably between 3,000 and 4,000 have been landed at Tientsin. The Japanese Government has announced in official Notes to the Peking Government and to the Nationalist Governments at Nanking and Hankow that the troops are for self-protection only and that they will preserve a strictly 'neutral' attitude in respect to the Chinese internal situation and that the troops will be removed immediately after China settles down. This, of course, has been for public consumption, but the Chinese are not convinced and are showing their skepticism in the usual way—through agitations, anti-Japanese posters and hand-bills, mass-meetings, official and unofficial protests, threats of boycott and so on. As suggested in the paragraph above reproduced from the Osaka newspaper, the Japanese were quite altruistic in their China policy so long as it was the British who were being pinched by the Chinese revolution, but now that the wave of nationalism has begun to sweep northward in the direction of Manchuria where Japan's major interests are located, the Japanese Government has begun to react in the old way.

THE APPARENT change in Japanese policy has come with the assumption of office of Baron Tanaka, Premier, who is a military man, having once served as Minister of War and is a member of the Choshu military clan. The *Japan Advertiser*, American paper in Tokyo, recently published the following suggestion of a change in Japanese policy toward China:

Premier Tanaka now is engaged in studying the various reports submitted by the Government representatives in China and other sources, preparatory to the formulation of a fixed China policy, which it is understood will be announced shortly.

Government spokesmen have indicated that Premier Tanaka's new China policy will be a complete reversal of that followed by Baron Shidehara, Minister for Foreign

Affairs in the Wakatsuki Government, which they assert was no other than a "wait and see" policy.

The broad principles upon which will be based the China policy of the Tanaka Government are the maintenance of close co-operation with the Powers with interests in China, and active interference where the vital interests of Japan are involved.

There are increasing indications that General Hanzo Yamanashi, minister of war, and trusted friend of the Premier, who recently left for a visit to China, but returned to Tokyo after seeing Prince Saionji in Kyoto, will leave for China again shortly, presumably on behalf of the Premier, and it is pointed out that his report will be consulted by the Premier in the formulation of his China policy.

The General had a meeting with the Premier at the latter's private residence in Aoyama Friday night, and submitted a report on the interview which he had with the Elder Statesman, and the rest of the meeting was devoted to consideration of the situation in China.

Prior to assuming office, Baron Tanaka severely criticised the policy of his predecessor, Premier Wakatsuki on the grounds that Japanese interests in China were not being properly protected, but immediately after assuming office Baron Tanaka announced that the new Government would follow the policies of the Wakatsuka Cabinet. Now it begins to appear that the 'friendship' or cooperative policy toward China which Japan has followed since the Washington Conference, is to be thrown over for something else. Just what the new policy will be, is, as previously stated, too early to determine, but that a change is in prospect the Chinese have been quick to sense.

PROBABLY the chief ground for Chinese suspicion rests in the fact that there are indications of a slight 'drawing-together' of the Japanese and the British. One of the Japanese consuls in China, recently in conversation with a foreign newspaperman, admitted that "Japan and Britain were cooperating more than they had formerly," and another prominent Japanese made the statement that "if Great Britain in going to station troops permanently or for a considerable period at Shanghai, then Japan is going to station troops in North China to protect her interests." This of course begins to look a little like the old Anglo-Japanese Alliance or even the 'sphere of influence' doctrine of a byegone period, but as yet these statements and rumors are nothing more than straws which show the direction of the policial wind, since the trend is as yet too new to be able to label it definitely. Still another element which has served to arouse Chinese suspicion, has been the progaganda put out by the semi-official Japanese news agencies in China tending to create the belief that an alliance was being formed by Yen Hsi-shan, tupan of Shansi province, with Chang Tso-ling and Chiang Kai-shek for the purpose of preserving the *status quo* in North China. Here again it is too early to determine what may happen, but it has been obvious to thinking persons that the Japanese have been rather too anxious to see something like this come about. The British have been much more open in their propaganda favoring a North-China alliance between Chiang Kai-shek and Chang Tso-ling, but the Japanese *officially* have professed 'neutrality.' However their profession do not carry conviction with those who read between the lines. One Chinese of our acquaintance who has been more or less concerned with Sino-Japanese politics for several years recently stated that Japan has been trying to obtain an understanding with both the Hankow and Nanking factions of the Kuomintang so that the Nationalist revolution would not be permitted to invade Manchuria, but that recently when Japan found that such an understanding could not be arrived at Japan immediately announced the dispatch of troops to Tsingtao with the accompanying threat that another force would be sent to Tsinanfu, the capital of Shantung province. This naturally would mean the policing of the Shantung Railway and possibly the creation of a 'neutral zone' at Tsinanfu, which would make it very difficult, if not impossible, for Gen. Chiang Kai-shek to advance northward in the direction of Tientsin and Peking.

THERE IS no questioning the fact that Japan is again treading on dangerous ground in China, particularly in respect to the landing of troops at Tsingtao. No one questions Japan's legitimate right to defend her citizens and their interests in Shantung, and had Japan sent sailors or marines instead of troops she might have avoided misunderstanding but the landing of a considerable force of soldiers on the Shantung coast and the alleged presence of several thousand reservists in Shantung brings up again the old picture of the Twenty-One Demands of 1915 and the secret treaties culminating in the Shantung agreement at the Versailles Conference. The American people generally have been rather proud of their record in assisting in the restoration of Shantung to its rightful owners, the Chinese people. America refused to ratify the Versailles Treaty largely on account of the secret deal between Japan, Britain, France and the other allies in respect to Shantung, and we do not believe that the American people would like to see that job undone—as a matter of fact, judging from the recent American reaction in respect to Britain's demands for intervention in China, it may be assumed that the American people would be quick to react in case it became suspected that Japan was attempting to again set up 'housekeeping' in Shantung province. It is unfortunate that the present Japanese Government apparently has been unable to sense the danger of adopting strong-arm methods in China at this juncture. Japan's action in stifling the Kuo Sung-ling rebellion against Chang Tso-ling in Manchuria in 1925 is still fresh in the Chinese mind, particularly the Nationalist mind, for Kuo Sung-ling was just as truly a Nationalist as any of the numerous tribe in China today which is striving to modernize the nation internally and externally. Although the Chinese are now tremendously worried in respect to their relations with the British, many thinking Chinese leaders realize that Japan may yet prove to be a harder nut to crack, largely due to the fact that the Japanese are fellow Orientals and hence more familiar with Chinese psychology.

IS THERE TO BE A NEW GROUPING OF POWERS?

THERE IS no use trying to camouflage the fact that all is not so lovely today as it was a few months ago in the relations of America and Great Britain, particularly in this part of the world. Just what has happened is difficult to determine but that something has happened, is all too evident. The last mail from America brought to this office more than a thousand editorial clippings from American newspapers, the papers being scattered from California to New England and coming mostly from papers in medium sized cities and towns. Practically all of the clippings dealt with the problem of American policy toward China and in practically none of them was there to be noted any particular friendliness toward Great Britain in respect to Britain's policy toward China. Much of the comment was outright hostile and severely critical,

the charge being made that there had been a deliberate plot on foot to drag America into the Chinese quagmire to serve Britain's selfish ends in the Far East." Of course there are other elements in this question than the problem of China,—the war debts, for instance. But the fact stands that all is not lovely in the relations of England and America and the phrase, 'Anglo-American Unity' doesn't mean what it did a few months ago. Eugene Young, foreign editor of the *New York World*, in an article recently reprinted in the *Shanghai Times*, also called attention to the threatened 'estrangement' but went further than suggesting a mere coldness between Britain and the United States, by declaring that a complete realignment of the world Powers in the Far East was in prospect with the United States, Germany and Russia on one side and Britain going back to her old love Japan and with Italy and France in the offing as near-suitors. Mr. Young called attention to developments at the recent economic conference at Geneva where the American delegates more or less sided with the Russians and thereby lent their influence to elements in Russia which have been trying to throw out communism. Mr. Young also called attention to the fact which has been obvious for some time to thinking persons, which is, that the struggles over the China question has had the effect of creating some strange political bed-fellows, otherwise America, Germany and Russia. According to Mr. Young both Germany and Russia have relinquished their special treaty position in China and America favors relinquishment. So there you are!

THIS NEW trend of the Far Eastern situation, particularly from the standpoint of America and England, should be of interest to Americans and Britons in China, chiefly due to the fact that if an estrangement in the affections of the two great English-speaking nations *has* come over the China question, the British out here have been chiefly responsible. The real nigger in the woodpile, so to speak, has been the British propagandist in China and his associate in London, who has stooped to rather low levels to drag America into what might have been a highly dangerous military adventure in China. Propaganda articles with very little foundation in fact, which have appeared in such newspapers as the *North-China Daily News* and the *Peking and Tientsin Times* have been widely reprinted in the United States and have received their appropriate denunciations. One headline in particular which appeared in the *North-China Daily News* stating "Washington Deserts Her Allies," seems to have done a tremendous amount of damage to British-American relations in this part of the world, for it was telegraphed to the United States shortly following President Coolidge's pronouncement on non-intervention. Then there was also an editorial from the senior British 'official' journal in Shanghai which attributed Coolidge's altruistic action in respect to China to political motives. This was rather too much for Americans in this part of the world who have been foolishly following the British lead for intervention in China, so that the inevitable reaction has set in and even the Americans out here are beginning to realize what was being done to them. A few days ago the writer of these lines was privileged to read a few paragraphs from a letter which one of the leading American business men in China had written to his home office in America and it certainly told a different story from that which one hears at the 'cocktail' hour when the members of the Shanghai clan gather before the long bar for their favorite pastime of cussing the United States.

BARBED-WIRE COMES DOWN AND PROPAGANDA SPRINGS UP

IT WAS an interesting coincidence that on the same day that the Shanghai Municipal Council gave the order for removing the barbed-wire barricades, the Council also announced the beginning of a fresh propaganda campaign to conciliate the Chinese. There are additional evidences that the local interests have decided to attempt other methods of dealing with the Chinese than through the medium of barbed-wire and machine guns, but we are particularly interested in the new propaganda campaign, which, according to the announcement which appeared in exactly similar wording in all of the foreign newspapers simultaneously, is to be conducted by a committee headed by Mr. E. F. Goodale who occupies the position of Comptroller of the Council. The personnel of the new publicity committee is of itself interesting since it is confined to persons of British, Japanese and Italian nationality. The purpose of the campaign was stated in the following words:

> The objects of the Bureau will be to explain the functions of municipal government, and to foster a Sino-foreign public opinion in favor of the gradual development of the Shanghai administration, so as more adequately to meet present and future needs. The Bureau will also take steps to counteract subversive propaganda, and will endeavor to create an atmosphere of friendship and co-operation between Chinese and Foreigners.

ANOTHER interesting phase of the proposed propaganda campaign rests in the fact that while the Committee was created under official auspices and will have its office in the Municipal Building, the expense will be borne by "certain commercial and industrial interests in Shanghai." Since neither the Americans nor the Chinese are represented on the Committee, we are naturally to assume, from the announcement at least, that the "commercial and industrial interests" which are to finance the campaign are exclusively British and Japanese. Obviously the Italians could not be expected to participate in the financing of the campaign, largely because they have no important commercial and industrial interests here. We are sure that all interests in Shanghai, including the Americans, the Chinese, the Germans, the Dutch, Scandinavians, French, Russians, and other nationalities, wish all possible success for the new venture. And this wish is not based entirely upon altruism, for it is no secret that about everybody is more or less 'fed-up' with the deadlock which has existed here for so many months between the British and Chinese. Owing to the vast extent of British interests at Shanghai, it is but natural that everybody with lesser interests, should be affected when the British get into a jam with the Chinese. Therefore there is hope that the new propaganda campaign will succeed in its ambitious plan of "creating an atmosphere of friendship and cooperation between Chinese and foreigners" so that everybody can get back to work. However, we will add one little word of advice in passing: Unless the Shanghai Municipal Council is prepared to meet the legitimate demands of the Chinese in respect to the future status of the International Settlement, the new propaganda campaign will be a flat failure and possibly may make the situation worse than it is at present. The Chinese know fairly well what they want in respect to a voice in the future management of the

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International Settlement, and the Chinese also know that the British Government in London has about reached the point where the Chinese demands are to be granted. Therefore any attempt on the part of local die-hard interests to try to make the Chinese satisfied with conditions as they are is likely to be both futile and ridiculous.

BISHOP GRAVES ON THE FUTURE OF MISSION SCHOOLS

BISHOP F. R. Graves of the American Episcopal Mission, in the course of what the *North-China Daily News* declared to be a "depressing survey of conditions" said that one of the difficulties of the present time is that so much is being said of 'Chinese aspirations' and so little account is made of the facts. The Bishop then proceeded in the course of an interview some three columns in length, all of which was cabled to the *New York Times*, to give his impressions on present conditions in China as affecting mission work. It was a dark picture which he painted and generally accurate, but he made the common mistake of most critics of present-day conditions in China, in failing to offer a solution—except to flatly refuse to comply with China's demands for the registration of mission property and to acceptance of Chinese management. With regard to St. John's University, one of the oldest mission institutions in China, Bishop Graves stated that the school had been closed down and would remain closed until "we can open under a just government and reasonable educational regulations." The Bishop then stated in the course of the interview that it was discovered "when the Southern troops entered Shanghai and drove the missionaries from so many institutions located outside the Foreign Settlement there was a plot on foot to rush St. John's and take it over by force." This was frustrated, however, "for by the courtesy of the Commander-in-Chief of the British Defense Force, General Duncan, it was arranged that protection would be furnished by the British troops who are in camp near us" (outside the foreign settlement—Ed.) Thus, due to the protection of the British forces, the physical property of St. John's University has been saved and the faculty and members of the mission still remaining in China are provided with a safe place of residence—but the school is closed, and according to the Bishop it will remain closed until China has developed a "just government," which may be quite a prolonged period judging from present tendencies over the world.

WE ADMIRE Bishop Graves for his frankness and courage in discussing in public this fundamental question of missionary educationed policy in respect to present-day China. His is the extremely conservative view, but it is not the only viewpoint, there probably being a majority of foreign missionaries on the other side who advocate that the day for changing the status of foreign missionary educational institutions has arrived and that the schools must change with the times or close up permanently. It is interesting to note that two other important American mission schools, Nanking, University and Ginling College, located in Nanking, near Shanghai, are still being operated by the Chinese faculties and apparently will finish out the present college year without unusual incident. Here at the opposite end of Shanghai from St. John's University and also located in Chinese territory, we find the Shanghai (Baptist) College, still operating, but sorely beset by the demands of the Chinese laborers employed on the premises. Canton Cristian College, after complying with the Chinese demands for registration and the abandonment of compulsory religious instruction, has finally been forced to close on accout of labor demands which the management of the institution was unable to comply with. We thus have the two extremes: Close the institutions entirely until that happy day arrives when China develops a 'just government' or try to keep open and fight it out with the student and labor unions. Of the two methods we rather prefer the second, for since these institutions are located on Chinese soil and must, in the end adapt themselves to China conditions, it probably will be better in the long run, to try to make adjustments rather than sidestep the issue by locking the doors. In the case of St. John's Univerity the property will be safe as long as the British troops keep their rifles and machine guns about the premises, but as long as these defense measures continue it obviously will be most difficult to induce any Chinese students to come within a mile of the campus. And when the British troops are removed, St. John's will be faced with the problem of beginning the fight with the student and labor unions, which the other mission schools are already engaged in. From this standpoint, the institutions which have adopted the other method will be miles ahead for they will have found, through actual experience, just where they stand in respect to the New China which is expected to emerge from the present chaotic situation. There can be naught but smypathy for the missionaries in their present predicament but we assuredly do not agree with all of the pessimistic views of Bishop Graves. What we imagine will come about will be that the Chinese enthusiasts who are now so intent upon seizing the schools and operating them in accordance with the 'Three-People Principles' will shortly discover that they have a lot of white elephants on their hands, the reason being that the missionary colleges and universities are constructed in accordance with standards which are far and away above China's present ability to support. When the enthusiasts discover that they are unable to support the schools it is quite likely that they will come back to the missionaries for financial assistance. Then it will be possible to arrive at a mutually satisfactory understanding regarding the future status of the institutions. What that status will be no one would attempt to say, but that it will be quite different from the past, is obvious.

MORE THAN FIFTY COMPANIES UNDER CHINA TRADE ACT

LIKE many other useful institutions, the China Trade Act is performing its functions quietly and unobtrusively, with the result that there seems to be an impression abroad that its facilities are not being taken advantage of. Facts, like mules, are stubborn things, and here are some facts in connection with the China Trade Act that may be of interest. Since the passage of the Act in 1922, subsequently amended in 1925, fifty-four companies have been issued certificates of incorporation, with two applications for incorporation now pending, forty-one of which have been issued charters since the passing of the amendments. These charters represent an authorized aggregate capitalization of about sixteen million gold dollars, and it is of importance in this connection to note that at least one-quarter of the authorized capital must be paid in before

incorporation will be granted. Almost two score industries are represented by the China Trade Act companies so far organized, among them being steamship operators, trading companies and trust companies. Banks are excluded from its provisions. One of the advantages of incorporating under the China Trade Act is that such corporations are exempt from the domestic corporation income tax, which for the year 1926 was at the rate of 13½%. Miss A. Viola Smith is Acting Registrar of the China Trade Act, the office being situated at 3 Canton Road, Shanghai, and intending incorporators may obtain from her all necessary information and forms used in connection with the incorporation of their businesses.

THE 'SHANGHAI MIND' SEVENTY YEARS AGO!

FOREIGNERS who are now advocating a different method of dealing with the Chinese than through the medium of barbed-wire fences, should take heart, for history records that there was a "Shanghai Mind" in 1853 which did not greatly differ from the present mental state. The big question in 1853 was that of admitting Chinese to reside in the foreign area. The original intention was, when the foreign area was created, that it should be for the residence of foreigners exclusively, but during the Taiping rebellion the Chinese refugees flocked in. According to the record, the Chinese at first were sternly driven out, but finally they were permitted to remain in—and herein rests the story of the 'Shanghai Mind' of 1853. All of the details of the controversy on the subject of admitting Chinese to residence in the Settlement are not available but one authority quotes the American commissioner, Mr. Marshall as advocating admission of the Chinese. Whether Mr. Marshal was in the real estate business is not stated, but the record quotes him as declaring: "The proposed regulation barring the Chinese is wholly objectionable as creating invidious distinction against the Chinese, and exercising exactly the spirit of exclusiveness toward them which we now complain of when exercised toward ourselves. It cannot be sound policy to segregate the populations, for instead of segregating the populations, and prohibiting the settlement of Chinese among the foreigners, it should be invited... Prejudice will give way before long continued pleasant social intercourse, and I anticipate great effect to be produced by inviting the Chinese gentlemen to live among the Americans and the English." Now for the exemplification of the 'Shanghai Mind, of 1853, the source of our information being "Historic Shanghai" by de Jesus: "One of the most influential residents was honest and outspoken enough to tell Sir Rutherford Alcock, British Consul, the whole truth in the course of a conversation: 'No doubt your anticipations of future evil have a certain foundation, and, indeed, may be correct enough—though something may be urged on the other side, as to the advantage of having the Chinese mingled with us, and departing from the old Canton system of isolation—but on the whole, I agree with you. The day will probably come, when those who may be here will see abundant cause to regret what is now being done, in letting and sub-letting to the Chinese. But in what way am I and my brother land-holders and speculators concerned in this? You, as Her Majesty's Consul, are bound to look to national and permanent interests—that's your business. But it is my business to make a fortune with the least possible loss of time, by letting my land to the Chinese, and building for them at thirty or forty per cent interest, if that is the best thing I can do with my money. In two or three years at farthest, I hope to realize a fortune and get away; and what can it matter to me, if all Shanghai disappear afterwards, in fire or flood? You must not expect men in my situation to condemn themselves to years of prolonged exile in an unhealthy climate for the benefit of posterity. We are money-making, practical men. Our business is to make money, as much and as fast as we can—and for this end, all modes and means are good which the law permits."

Nanking as a Government in the Making

By R. S. Pickens

NANKING, China, June 16—Whether the present Nationalist government in Nanking becomes the final ruling power in China or not its influence is certain to have weight in all Chinese government movements in the future. In its embryonic state it is worthy of study both as to its condition and as to its aims, but particularly as to its condition.

It is no small matter to move into an ancient old walled city and say "here is a government" and not appear slightly ridiculous. The Nanking government, as it now stands has progressed far from the mere proclamation of itself, and at no time has it appeared ridiculous. It has made mistakes, as do all governments, but its mistakes have been because of ignorance and not through intention. Its newness has been its saving grace.

It was my privilege to spend a week in the very heart of the Nanking government, and, as my presence as a foreign newspaper correspondent required the formation of a policy by the foreign department and the military, I had an unusual opportunity to observe its workings and its gropings. Nanking is no place for a person without more than the usual quota of patience. It is trying enough to go through the red tape of a well organized government but it is a real test of a man's staying powers to help organize the red tape and then have to go through it.

My business was of no great importance, only the obtaining of a pass allowing me to visit the war zone. No such request had theretofore been made, and no one knew just where the pass should come from. The foreign ministry felt that the military department should issue it. The military was of the opinion that it was the foreign department's function. Both departments were willing enough to give the pass but didn't wish to intrude on each other's territory. I finally suggested that a joint pass from both departments would be eminently satisfactory and would show that it was easy for the civil and military authorities to work together. Two days later I received the document, beautifully printed and stamped with the seal of both departments. Thus a precedent was set.

While the incident above had little to do with the Nanking government and probably has been forgotton by everyone concerned except me, it is a typical illustration of what the new government has to face. It has no precedents, it has no models worthy of use, it has no experience. It must grope its way through an amazing tangle of departments and committees composed of men of little experience

in governmental affairs, but ever wanting to do the right thing in the right way. That of course means that its processes are slow and tedious, and to a person familiar with governments boasting smooth running red tape it appears that the departments are not functioning at all. Slowly, but surely, however, these processes turn out a product, sometimes unfinished and sometimes extremely crude, but always a product. There have been few governments newly organized that could do as well. In Russia where the Soviet has been functioning ten years many of the governmental processes are far from smooth. In the United States, where the population was small and communication about on a par with that of present day China, the government was crude and unfinished in the beginning and even today some of its actions are hard to fathom.

No government in the history of the world has had more earnest young men trying to make the wheels go round. That may be one of its weaknesses and again it may be its strength. Here and there, especially in the foreign ministry one finds an exceptionally able man, possessed of unusual education and ability. There is a possibility that these young fellows are misplaced. The Chinese government in my mind should have its ablest men dealing with domestic problems, and let the more obtuse fellows deal with foreign relations where they will match wits with others of their kind. China's real problem is not foreign relations, despite the hue and cry raised against foreign imperialism. The relationship with the rest of the world depends entirely on the settlements of Chinese internal problems, and a satisfactory adjustment with foreign nations cannot be made until after a state of peace prevails in the interior. The slogan shouting against the foreigners will die a natural death when China has been unified. The use of the slogan, however, has been necessary. A people cannot be unified unless it is against something and the foreigner was handy and had made himself liable.

The government at present appears to be loaded down with machinery. That of course will remedy itself in the course of time. Many of the departments will combine eventually and many of the committees will pass out with age. The presence of caste and class among the people makes it necessary to have a half dozen committees where one would function under other circumstances. It is the purpose of the government to gradually eliminate caste and that will automatically eliminate numerous committees.

Probably the greatest single problem facing China is the labor unions. Ambitious for a great Chinese industrial development the government is well aware of the labor menace. It has seen the foreign owned factories closed because labor, under the new freedom, overreached. Only a blind government would fail to see that further encouragement of labor will mean the delay if not the prevention of China's industrial growth. One of the strongest men in the Nanking government told me recently that plans for a governmental board of arbitration were being formulated and that when the question comes up there will be definite methods established for dealing with it. This governmental arbitration board will be given full authority to deal with all disputes and its ruling will be final. If necessary the army will be called out to enforce its decisions. Some member of the Nanking government evidently has watched the antics of American government boards of arbitration which are without power to enforce their decisions.

Foreigners who are critical of the new Chinese governments should always remember the old text about the mote and the beam. Many foreign governments make greater blunders, and not many of them have the excuse of youth. There is no hope of China ever accepting many of the present governmental methods of the world. The Chinese people are unique and their government is certain to be the same. The domestic problems facing Nanking are greater than any ever faced by any government, and no government has ever come into power with foreign relations in such a muddle. Time alone will settle all these problems. Left alone, China can, and will work out her own salvation. The Nanking government may not stand, but the government that finally evolves from all the noise and turmoil will find many things in Nanking to add strength to its structure.

Eugene Chen Protests Landing of Japanese Troops

The following is the official protest of the Nationalist Government at Hankow regarding the landing of Japanese troops at Tsingtao. Mr., Chen's Note was handed to the Japanese on June 1:

"The Minister for Foreign Affairs of the Nationalist Government has taken note of the declarations regarding the landing of Japanese troops in Shantung, which have been communicated to him by the representative of the Japanese Government at Wuhan.

"Even though Chang Tso-lin, Chang Tsung-chang, or Chiang Kai-shek collectively or separately may have assented to this military operation, it is necessary to signalise it as a grave act of provocation as well as a menace not only to Nationalist China but to every Chinese who is not prepared to accept Japanese intervention and dictation in the internal affairs of his country.

"There is nothing in the Laws of Nations that can justify it; and unless the Japanese Government mean to invoke the precedent set by themselves in the years when the subjection of China as defined and worked out in the Twentyone Demands was the declared policy of Japan, there is hardly a parallel to the military expedition in question. This assertion is made deliberately and with the British expeditionary force in Shanghai in mind. Unnecessary and criminally provocative though the latter may be, it at least pretends to clutch at some shadow of legality by packing most of its gunmen within territory under so-called international control. In the case of the Japanese expedition, there is and can be no such pretence because neither at Tsingtao nor at Tsinan is there any international settlement of Japanese concession.

"Besides lacking juridical sanction, the Japanese expedition cannot even find support in the real facts of the general situation envisaged in the declarations issued respectively by the Foreign Office and the War Office at Tokyo. It is a notorious fact that not a single Japanese civilian life has been lost anywhere on territory under direct control of the Nationalist Government whose seat is at Wuhan. This has been true of the Nationalist Government when its seat was at Canton; and it shall continue to be true when the forces of the Revolution carry the Nationalist Government to Peking.

"The suggestion of the Japanese Government that their troops must be landed and held in readiness at Tsingtao in order to cope in time with any emergency that may arise in the Tsinan district, can be exploded by directing attention to the geographical fact that Tsinan is as near, if not nearer, to Tientsin as it is to Tsingtao and that at Tientsin there is a Japanese concession where Japanese troops are or may be barracked. And were the Japanese expedition warranted—which in any view of the case is categorically denied—such troops could be more expeditiously moved to the scene of any incident in the Tsinan district.

"The Minister for Foreign Affairs, therefore, has to protest against the Japanese expedition to Shantung and solemnly to warn the Japanese Grvernment that they are embarking on a course of action which, objectively based as it is on the policy of the Twentyone Demands, must arouse the indignation of the Chinese people and provoke them to economic action which it may be difficult, if not impossible, for Government to prevent."

Wuhan: June 1st, 1927.

Present American Policy in China in the Light of the Past

(Foreign Policy Association Information Service)

RECENT developments in China since the replies of Eugene Chen, foreign minister of the Hankow Nationalist Government, to the identic notes sent by the five powers in protest against the Nanking affair, have further complicated the immediate problem confronting the United States, Great Britain, Japan, France and Italy.

In brief, the identic notes presented by the powers on April 11 to Eugene Chen at Hankow and the representative of Chiang Kai-Shek at Shanghai demanded:

1. Adequate punishment of the commander of the troops responsible.

2. Apology in writing by the Commander-in-Chief of the Nationalist Army, including a promise to refrain from violence or agitation against foreign lives and property.

3. Complete reparation for personal injuries and material damage done.

The notes concluded:

"Unless the Nationalist authorities demonstrate to the satisfaction of the interested Governments their intention to comply promptly with these terms, the said Governments will find themselves compelled to take such measures as they consider appropriate."

The separate replies made by Eugene Chen on April 14 were practically identical. In reply to the United States the Nationalist Government made the following points:

1. The Nationalist Government promises to make good all damage done to the American consulate and to make all reasonable reparation for personal injuries and other material damage done wherever it can be proved that this damage was not caused by the American-British bombardment or by northern rebels.

2. It proposes to submit the question of punishment and apologies of the commanders of troops responsible for murders, injuries and damage done to the findings of either the government inquiry in progress or an international commission fo inquiry.

3. The future protection of foreigners is promised.

4. The inequitable treaties are cited as the chief danger to foreign lives and property and the Nationalist Government accordingly proposes the appointment of delegates to negotiate with China on the basis of equality.

While the replies of Eugene Chen were generally considered unsatisfactory by the powers, decision as to the next move was made more difficult by the split between the so-called "Moderate" and "Radical" elements of the Kuomintang. On April 15, simultaneously with the replies received from Eugene Chen, the Central Control Committee of the Kuomintang at Nanking, representing a new government dominated by General Chiang Kai-shek, adopted a resolution demanding the impeachment of the Hankow Government and arrest of the Communist leaders who had been directing the radical wing of the party.

Although the representatives of the Powers in Peking are reported to be virtually in harmony, there is evidence that the home governments are not in agreement on the nature of further demands to be made on China. No official statement of policy has been made public by any of the powers, but it appears at the time of writing that Britain favors cooperation among the powers in the use of punitive measures and that Italy and France are disposed to support the British point of view, whereas Japan and the United States have so far opposed the use of military measures.

American public opinion has recognized that the United States must choose between independent or united action in China. On the one hand a group of people voicing sentiments based for the most part on years of experience in China have urged that Washington act independently in an immediate recognition of Chinese aspirations and the appointment of a commission to begin negotiation of new treaties. On the other hand another group, as typified by a number of business men in Shanghai, advocate "immediate concerted action by the powers to restore a condition of security for foreign lives and property in all the treaty ports and to recover all foreign property....."

American Policy in Past of Interest Today

A review of American policy in China from the period preceding the signing of the first treaties is of particular interest at the present time. Many of the questions which confront the United States in its dealings with China today had their origin in the early years of American intercourse with the Far East, and some of them, such as the question of an independent policy or united action with the other foreign powers, have arisen many times under varying circumstances. What was the policy of the United States at the time of the Boxer uprising, during the intervention of the European powers in 1858, and in the Opium War twenty years earlier? What was the attitude of the United States toward the use of force in these earlier crises between China and the powers? Has the United States in the past joined Great Britain and the other western countries in military and naval action? The report is confined to a brief statement of American policy in China during the more important periods in the history of our relations with that country.

Early American Traders Adopt Conciliatory Policy

American merchants engaged in the East India trade were dealing with the Chinese as early as the period of the American Revolution. During these early years the United States Government, absorbed by its domestic problems, gave little heed to affairs so remote as China and left American traders to develop their interests alone as best they could. Lacking the support of their Government the Americans, in contrast to the British, who had first the backing of the powerful East India Company, and later the support of the British Government, found it wise to adopt a conciliatory policy in their dealings with the Chinese. This policy lasted well into the nineteenth century, throughout the period when Canton was the only Chinese port open to foreigners, and when the Manchu Government at Peking viewed all foreign governments and foreign emissaries as inferiors.

The need for a more clearly defined government policy was first impressed upon the United States by the events leading up to the Opium War, 1839-42, between Great Britain and China. Great Britain had taken the occasion of a dispute over the opium trade to establish her commercial position in China by military and naval intervention. When Americans together with other foreigners were imprisoned in Canton in May, 1839, American merchants petitioned Congress for a fleet to protect American lives and property and a commissioner to negotiate a commercial treaty with the Chinese.

U. S. Desires Equality But Objects To Force

Considerable doubt was expressed at home as to the wisdom of sending an American fleet to Chinese waters. The merchants of Boston, New York and Philadelphia counselled prudence, feeling that even a suggestion of force would disturb the harmonious relations established during the preceding fifty years. American public opinion in large measure disapproved the use of force by Great Britain in support of her opium trade. It was generally felt that China had a right to regulate the character of her imports and that while the importation of Indian opium into China had created a favorable condition for England, it was not beneficial to American trade.

The petition of the American merchants in Canton was presented to Congress in January, 1840. In the spring of that year Commodore Kearny, in command of the East India squadron, was sent to China. No further steps were taken, however, until 1843. Opinion in Congress was divided between opposition to any action which suggested cooperation with the British in a policy of force, and the desire of another group, headed by John Quincy Adams, to obtain by treaty the recognition they felt was due us from the Chinese as a sovereign nation distinct from Great Britain.

By the Treaty of Nanking, August 29, 1842, which brought to a close the Opium War between England and China, the ports of Canton, Amoy, Foochow, Ningpo and Shanghai were opened to foreign commerce. The equality of British officials with the Chinese was recognized and trading conditions were improved. By the same treaty, Hongkong was ceded to Great Britain. On October 8, 1843, a supplementary treaty of commerce and navigation was concluded between Great Britain and China, providing an assent in general terms to a measure of extraterritoriality.

Negotiation Of First American Treaty

The desire to secure from the Chinese equal rights and privileges with the British prompted the United States Government after the signing of the treaties of 1842 and 1843 to hasten negotiations with China. Although Commodore Kearny had demanded and received assurance from the Chinese at Canton that any trade concessions made to the British would be extended to Americans as well, the United States was anxious to give formal treaty status to its agreements with China. On March 3, 1843, a sum of $40,000 was placed at the disposal of President Van Buren for the appointment of a mission to establish commercial relations with the United States and China on terms of "national equal reciprocity." The instructions given by Daniel Webster, then Secretary of

State, to Mr. Caleb Cushing, appointed Commissioner to China on May 8, 1843, read in part as follows:

"You will state, in the fullest manner, the acknowledgment of this Government that the commercial regulations of the Empire, having become fairly and fully known, ought to be respected by all ships and all persons visiting its ports; and if citizens of the United States, under these circumstances, are found violating wellknown laws of trade, their government will not interfere to protect them from the consequences of their own illegal conduct. You will at the same time assert and maintain, on all occasions, the equality and independence of your own country. The Chinese are apt to speak of persons coming into the empire from other nations as tribute bearers to the Emperor. This idea has been fostered, perhaps, by the costly parade of embassies from England. All ideas of this kind respecting your mission must, should they arise, be immediately met by a declaration, not made ostentatiously, or in a manner reproachful toward others, that you are no tribute bearer; that your Government pays tribute to none and expects tribute from none; and that even as to presents, your government neither makes nor accepts presents. . . .

"Finally you will signify, in decided terms and a positive manner, that the Government of the United States would find it impossible to remain on terms of friendship and regard with the Emperor if greater privileges or commercial facilities should be allowed to the subjects of any other Government than should be granted to citizens of the United States."

In communicating the project of the treaty Cushing stated:

(1) That the United States desired to treat on the basis of "cordial friendship and firm peace."

(2) That the United States did not desire any portion of the territory of China.

(3) That, while the United States would be happy to treat on the basis of opening all ports and imposing no export duties, yet in the project submitted the wishes of China were heeded and only a free and secure commerce with the five open ports was requested.

Provisions Of American Treaty

The first American treaty, signed at Wanghia, July 3 1844, accorded to the United States virtually the same privileges given the British the year before: the right to reside, to trade and to appoint consuls at the five treaty ports, and to erect dwellings and business places within the ports in agreement with the Chinese authorities. A 5 per cent ad valorem tariff schedule similar to the British schedule was attached to the United States treaty.

The American treaty contained several provisions not found in the British. By far the most important was the explicit statement relating to extraterritoriality. Articles 21 and 25 provided that citizens of the United States committing any crime in China were to be tried and punished only by the American consul under the laws of the United States; Chinese guilty of crime against Americans were to be punished by the Chinese authoritities according to the laws of China. These extraterritorial provisions were later extended in a number of treaties between China and the powers.

The first American treaty also contained a most-favored-nation clause granting to Americans all privileges which might at any future time be given to nationals of other foreign powers. This clause, originally intended to provide for equal commercial opportunity, was later inserted in all treaties between the powers and China, and served as a device by which all the nations were able to secure for themselves any privilege gained by another power from China, regardless of the method by which that privilege was gained.

American interest in China increased rapidly in the period following the treaty of 1844. American trade expanded steadily and large numbers of missionaries entered the treaty ports. The immediate effect was a demand for the further opening of the country. At the same time, the United States Government was engrossed in internal affairs, and without funds for an adequate foreign service to follow up the advantages gained by the treaty with the effectiveness of Great Britain. The American Consular Service was irregular and the frequent changes in administration hampered the application of a vigorous or consistent policy. Thus while the policy of the United States generally avoided the use of military measures employed by some of the other powers, proposals for armed support were not entirely lacking from American representatives in the East, and on occasion they were suggested by the Department of State. With few exceptions, however, these proposals were never executed. In general, the United States was concerned primarily with securing equal commercial opportunity without resorting to intervention or coercion itself. But when the other powers obtained any political advantage from the Chinese the United States pursued its right to equal consideration.

During the period between 1844 and 1856, the Chinese Government did all in its power to discourage dealings with the West, resorting to evasion, delays, and passive resistance to prevent intercourse with the representatives of the powers. Friction between Chinese and foreigners increased, although it was the Manchu officials rather than the Chinese merchants who opposed any contact with the West.

British Bid For American Cooperation In 1857

In 1856 disorders in Canton resulted in the capture of that city by British forces, and in 1858, with the continued refusal of the Peking Government to negotiate with the powers, French and British naval forces took the forts at Taku and captured Tientsin. Throughout this crisis Great Britain bent every effort to secure American cooperation, or the assurance that the United States would not oppose her use of force in China. On March 14, 1857, Lord Napier, the British Minister at Washington, presented to Secretary of State Cass a request that the United States grant "that concurrent and active cooperation which the government of France has already accorded and that they will authorize their naval and political authorities in China to act heartily in concert with the agents of the two allied powers."

The American Secretary of State, replying to a memorandum from Lord Napier on April 10, 1857, said in part:

"True wisdom....dictates the observance of moderation and discretion in our attempts to open China to the trade and intercourse of the world. To be safe and successful the effort must be the work of time, and of those changes which time gradually brings with it."

Continuing, Secretary Cass said:

"Our naval officers have the right—it is their duty, indeed, to employ the forces under their command, not only in self-defense but for the protection of the persons and the property of our citizens when exposed to acts of lawless outrage, and this they have done both in China and elsewhere, and will do again when necessary. But military expeditions into the Chinese territory cannot be undertaken without the authority of the national legislature."

U. S. Refuses to Join Britain and France

The United States did not join Great Britain and France in the hostilities of 1857. President Buchanan, however, compromised to the extent of dispatching to China a plenipotentiary to be present during the negotiations, with instructions to press American claims for reparations and a revision of the treaty of 1844 at any opportune time. In effect, the United States gave her tacit approval to the British plan of chastisement, while refraining from active participation.

Secretary Cass in giving the American Minister his instructions, said:

"There seems to be an entire unanimity of sentiment and action between Great Britain and France, extending even to armed cooperation, and you will find from the papers annexed that the United States has been invited to join the alliance and to participate in its hostile movements. The reasons of the President for declining this participation are all sufficiently stated in the communication to the British Minister already referred to, together with his opinions as to the extent to which the United States may fairly cooperate with the allied powers in China."

Writing him a month later, the American Secretary of State said:

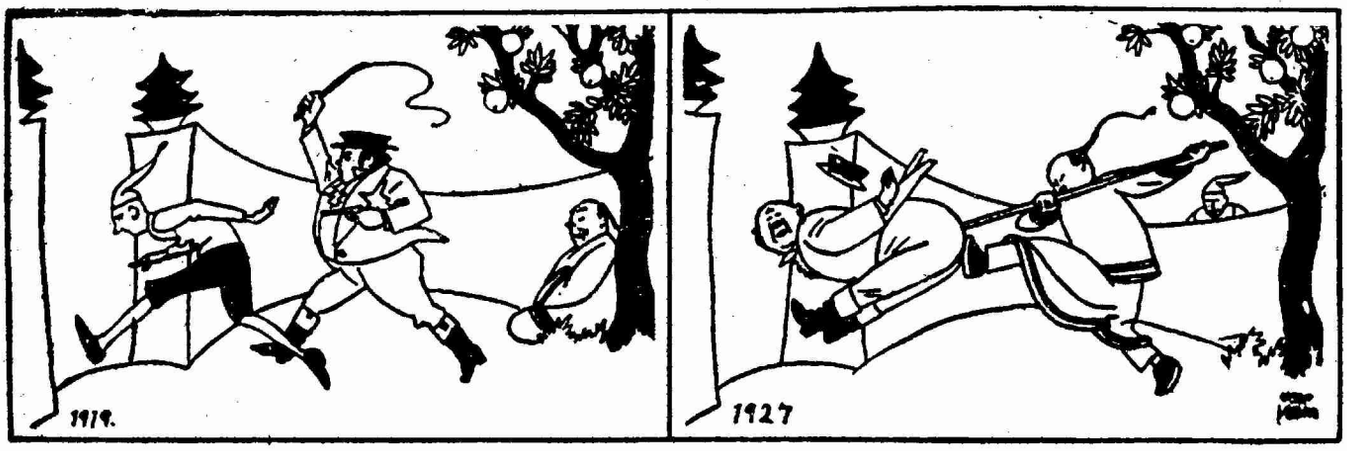
"This country, you will constantly bear in mind, is not at war with the government of China nor does it seek to enter that Empire for any other purposes than those of lawful commerce and for the protection of the lives and property of its citizens. The whole nature and policy of our government must necessarily confine our action within these limits, and deprive us of all motives either for territorial aggrandisement or the acquisition of political power in that distant region."

Provisions of Tientsin Treaty of 1858

Through the operation of the most-favored-nation clause America obtained without cost or bloodshed in the Treaty of Tientsin, 1858, all that was included in the treaties of the other powers, and our policy of peaceful negotiation laid the basis for a friendship between China and the United States which developed rapidly in the next decade. The new treaties gave the powers the right to maintain diplomatic officials at Peking and provided for the opening of five new treaty ports to foreign trade. Foreigners were also allowed to enter the interior of China, missionaries were granted the right to preach Christianity without molestation, and the tariff duties as fixed under the earlier treaties were revised.

American relations with China were further strengthened by Anson Burlingame, United States Minister to China from 1861 to 1867. His efforts as Minister were directed largely to bringing the treaty powers to agree among themselves on a generous course to be pursued in China. In a letter to the Shanghai American Consul-General at this time he described

American and German Cartoons on China Situation



"CHINA FOR THE CHINESE"

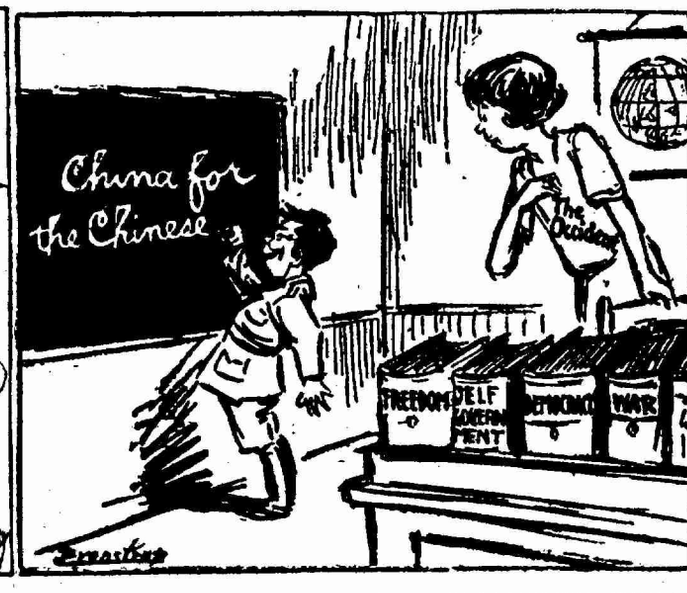
(In 1919, at the Peace Conference, John Bull drove the wicked German Michel out of the Chinese paradise. In 1927 the Chinese themselves hand out similar treatment to John Bull)

From *Kladderadatsch* (Berlin, Germany)

THAT NEW SPRING HAT

(The Cantonese captured Shanghai in March)

From the *Times* (New York City)



THE CHINESE PUPIL HAS LEARNED HIS LESSON IN SCHOOL

From the *Chronicle* (San Francisco, Calif.)

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his policy as "an effort to substitute fair diplomatic action in China for force."

Burlingame, who left the American diplomatic service and entered that of China, later headed a Chinese delegation which visited the United States, England and the continental countries and negotiated treaties which placed China, in theory at least, on the same diplomatic footing with the nations of the western world.

American policy in China underwent no important changes during the twenty-five years following the signing of the Tientsin treaties. The privileges gained at Tientsin were gradually extended and clarified in separate agreements relating to commercial intercourse and judicial procedure, regulation of taxes, protection and privileges of missionaries, purchases of land and the administration of treaty ports and foreign settlements. Throughout this period Chinese internal affairs were increasingly disturbed by distrust of the Manchu regime and opposition to the growing influence of foreign powers in China.

Enunciation of The Open Door Doctrine

The end of the nineteenth century marked the beginning of a period which lasted until the outbreak of the World War, in which the principal European powers competed for "spheres of influence" in China. Great Britain, France, and Germany had already embarked on a policy of colonial expansion in Africa and the Near East, and China with her weakness revealed by the war with Japan in 1894, appeared to offer a lucrative field for exploitation. The various concessions won from China by the powers between 1895 and 1901 have been mentioned in another issue of the Information Service. It suffices to say that the scramble for concessions menaced not only the integrity of China and the principle of equal opportunity of trade, but indirectly the peace of the world.

The realization of what was taking place in China brought from John Hay, American Secretary of State, in 1899, a declaration of policy which came to be known as the Open Door Doctrine. While the doctrine was based on two principles of American policy which had been followed by the United States for half a century—equal opportunity of trade and the integrity of China—Hay gave them new significance by setting before the world a definite formula at the opportune moment, and committing the other powers to its execution and observance. As first enunciated by John Hay, the declaration of the Open Door was tantamount to an expression of American policy in China in relation to American interests. The dominant motive was the safeguarding of those interests in China from the danger of the rapidly spreading spheres of

influence and leased territories. Hay hoped to accomplish this by maintaining within the spheres of influence equal treatment in matters of tariff and transportation.

The importance attached to American interests in China at the time was indicated by President McKinley in his Annual Message to Congress on December 16, 1898:

"The United States has not been an indifferent spectator of the extraordinary events transpiring in the Chinese Empire, whereby portions of its maritime provinces are passing under the control of various European powers; but the prospect that the vast commerce which the energy of our citizens and the necessity of our staple productions for Chinese uses has built up in those regions may not be prejudiced through any exclusive treatment by the new occupants has obviated the need of our country becoming an actor in the scene. Our position among nations, having a large Pacific coast and a constantly expanding direct trade with the farther Orient, gives us the equitable claim to consideration and friendly treatment in this regard, and it will be my aim to subserve our large interests in that quarter by all means appropriate to the constant policy of our Government."

American Policy During Boxer Rebellion

In the early summer of 1900 the Boxer Insurrection assumed serious proportions. When the true nature of the rebellion became known, John Hay issued a second circular note addressed to the Treaty Powers on July 3, 1900, defining the policy of the United States as follows:

"In this critical posture of affairs in China it is deemed appropriate to define the attitude of the United States as far as present circumstances permit this to be done. We adhere to the policy initiated by us in 1857 of peace with the Chinese nation, of furtherance of lawful commerce, and of protection of lives and property of our citizens by all means guaranteed under extraterritoriality treaty rights and by the law of nations. If wrong be done to our citizens we propose to hold the responsible authors to the uttermost accountability. We regard the condition at Peking as one of virtual anarchy, whereby power and responsibility are practically devolved upon the local provincial authorities. So long as they are not in overt collusion with rebellion and use their power to protect foreign life and property we regard them as representing the Chinese people, with whom we seek to remain in peace and friendship. The purpose of the President is, as it has been heretofore, to act concurrently with the other powers; first, in opening up communication with Peking and rescuing the American officials, missionaries, and other Americans who are in danger; secondly, in affording all possible protection everywhere in China to American life and property; thirdly, in guarding and protecting all legitimate American interests; and, fourthly, in aiding to prevent a spread of the disorders to the other provinces of the Empire and a recurrence of such disasters. It is, of course, too early to forecast the means of attaining this last result; but the policy of the government of the United States is to seek a solution which may bring about permanent safety and peace to China, preserve Chinese territorial and administrative entity, protect all rights guaranteed to friendly powers by treaty and international law, and safeguard for the world the principles of equal and impartial trade with all parts of the Chinese Empire."

In June, 1900, the foreign legations at Peking were besieged and cut off from outside communication. An expedition of approximately 20,000 men, including American, British, French, Russian, German and Japanese troops, arrived on August 14, after a ten day march from Tientsin, in time to relieve the foreigners. There was no unified command, although the officers of the several powers cooperated to a certain degree.

Demands Of The Boxer Protocol

The negotiations which followed revealed a wide difference of opinion between the principal foreign powers regarding the demands to be made upon China. The United States representative declined to determine the nature of the punishment of the instigators and perpetrators of the anti-foreign outrages, maintaining that China should impose punishment in all cases. Largely through his efforts the list of culprits was repeatedly revised and the form of punishment reduced. He further discouraged proposals for prolonged occupation of China, or the erection of an international fort in Peking. Ir the matter of indemnities the United States urged that they should not exceed a reasonable amount and should be well within the capacity of China to pay. In the Protocol finally agreed upon the powers demanded reparation for the murder of the German minister and the chancellor of the Japanese legation, an indemnity of 450,000,000 taels ($330,000,000), punishment of eleven Chinese officials, the right to maintain permanent legation guards at Peking and to keep open communications between Peking and Tientsin, and forbade arms importations. The Boxer Indemnity money was later returned to China to be used for educational purposes.

In 1902 with Great Britian and in 1903 with the United States and Japanese, China endeavored to negotiate treaties which should provide for an increase in her tariff rates and for the gradual abolition of foreign extraterritoriality. Inasmuch as ratification was conditioned upon unanimous acceptance of the provisions by the other treaty powers, which was never obtained, China's first efforts to regain a measure of her sovereignty failed.

U. S. Upholds Integrity Of China

From 1901 until the outbreak of the European war the Open Door Doctrine was invoked by the United States on frequent occasions, and often with the support of other powers, when it appeared that the territorial integrity of China and the equality of commercial opportunity was threatened. The Russian encroachment in Manchuria following the Boxer Protocol drew vigorous protests from the United States, Great Britain, Germany and Japan in 1902. The Anglo-Japanese Alliance, concluded in January of the same year, was intended as a further check on Russian designs.

During the Russo-Japanese War, 1904-5, the United States and the powers exerted pressure on the belligerents to maintain the neutrality of China. John Hay gave the following instructions to the American ministers accredited to the belligerent powers and China:

"You will express to the minister of foreign affairs the earnest desire of the Government of the United States that in the course of the military operations which have begun between Russia and Japan the neutrality of China and in all practical ways her administrative entity shall be respected by both parties, and that the area of hostility should be localized and limited as much as possible, so that undue excitement and disturbance of the Chinese people may be prevented and the least possible loss to the commerce and peaceful intercourse of the world may be occasioned."

At the instance of the German Emperor, who suspected that France headed a powerful coalition against the integrity of China and the maintenance of the Open Door, a further circular note was sent out by Hay in January, 1905, requesting that no neutral powers present claims in the final negotiations between Russia and Japan at the expense of China's territorial integrity. Favorable responses were received from Great Britain, Belgium, Germany, Austria-Hungary, Portugal and Italy. Whether in consequence of Hay's notes or not, the peace between Russia and Japan provided that they would evacuate Manchuria and restore the territory to Chinese administration, with the exception of the Liaotung Peninsula, the control of which was transferred from Russia to Japan. This gave Japan control of the southern half of the Chinese Eastern Railway.

Japanese Encroachment In Manchuria

The contest for spheres of influence did not end with the Russo-Japanese War. Prevented by the powers from gaining all of her immediate objectives in the Treaty of Portsmouth, Japanese policy toward China took a more aggressive turn. The Japanese Government embarked upon a policy of colonial expansion directed toward the mainland of Asia. In 1905 Japan's "paramount political, military and economic interests" in Korea were recognized, and in 1910 Korea was annexed by Japan. In August, 1905, while the Portsmouth negotiations were still in progress, the Anglo-Japanese Alliance was renewed and the terms were extended to include British rights in India as well as in China, in exchange for recognition of Japan's paramount interests in Korea. In 1907 friendly relations were established with Russia and each power agreed to respect the territorial integrity of the other and pledged itself to maintain the *Status quo* in its respective spheres. This agreement, as well as the Anglo-Japanese alliance, provided for the maintenance of the Open Door Doctrine. In 1907 Japan and France concluded an agreement for mutual support in their respective spheres in China. At the same time the expansion of Japanese commercial influence in Manchuria aroused the opposition of England and the United States, who vigorously protested against the establishment of exclusive commercial influence by the Japanese.

Struggle For Railway Concessions

The United States followed this development of Japanese policy in Manchuria with the closest attention. In 1908, Secretary Elihu Root and Ambassador Takahira concluded an informal agreement, in the form of an exchange of notes, which upheld the Open Door Doctrine and declared that the policy of both governments was directed "to the maintenance of the existing *status quo* and to the defense of the principle of equal opportunity for commerce and industry in China." The Open Door principle was again asserted by the United States when the Russo-Chinese Bank attempted to establish municipal administration in Harbin and other cities along the Chinese Eastern Railway, in violation of Chinese rights and sovereignty and of the Treaty of Portsmouth.

This attempt on the part of Russia to gain control over territory by means of a railway concession was one of the first, more flagrant, examples of a new struggle which ensued between the powers for railway concessions. The concessions entailed large loans and many times involved exclusive and arbitrary privileges inimical to free trade. The actual, if not the theoretical, sovereign right of China to offer equal commercial privileges appeared to be rapidly diminishing

During the years from 1907 to 1910 alone, China signed agreements for at least six railway loans, four with Great Britain and two jointly with Great Britain and Germany. Japan was also taking an active part in extending her railway control. The most vigorous struggle entered over a railway concession commonly known as the Hukuang Railway. When asserting the American right to participate in the Hukuang Railway Loan, though the right was based on rather weak promises of the Chinese Government in 1903 and 1904, the State Department declared, "the principle involved is that of equal opportunity." The United States further apprehended that provisions for payment of these railway loans involved important political considerations. In the final agreement, signed in May, 1911, America participated on an equal basis in a four-power consortium representing France, Germany, Great Britain, and the United States.

Neutralization Plan Proposed By Secretary Knox

As the early struggle for leases and concessions called forth John Hay's first circular note in 1899, this second international struggle for railway concessions brought forth the neutralization plan of Secretary Knox, which proposed by means of an international loan to provide China with funds to redeem the Manchurian Railways, under control of Japan and Russia, and to construct new lines under the control of the Chinese Government.

Meanwhile another instance of the American desire to apply the doctrine of equal opportunity was presented when China offered an American banking group the Currency Reform and Manchurian Industrial Development Loan of $50,000,000. The United States Government felt that such an important undertaking should have the support and cooperation of other powers interested in China, and accordingly offered to the same three powers with whom negotiations were being carried on for the Hukuang Railway Loan a chance for equal participation. The agreement was concluded on this basis in April, 1911.

With the birth of the Republic in 1911 the Peking Government was forced to resort to administrative loans in order to meet ordinary non-productive needs of the government. As a consequence the bankruptcy of China appeared possible and the eventual foreign control of China's finances very probable. Since no one country would willingly see another gain exclusive control, the powers were compelled to combine and cooperate in order that foreign control of China's finances, if it became necessary, would be international control rather than that of any single power. The instrument used was the old consortium to which Russia and Japan were added.

During the Taft Administration the United States policy of international cooperation was continued and efforts were directed toward concerted action by the powers in negotiating a loan which should finance China.

At the same time the United States Government and the foreign powers, aware of the danger to China produced by China's reckless borrowing of administrative and political loans, felt compelled to adopt supervisory measures and to appoint foreign advisers.

Cooperation Withdrawn By Wilson Administration

Under the Wilson Administration the policy of the United States was radically changed, taking the form of withdrawal and non-intervention, as the best method of preserving the administrative integrity of China. Both the Taft and Wilson administrations saw the danger to China, in the terms of the international administrative loans, but, on the one hand, it was interpreted that participation would serve China best, and on the other, non-intervention.

Almost immediately after the withdrawal of the United States from active participation in the consortium the struggle for concessions revived. In the midst of the contest, however, the World War broke out and directed the attention of the western world to a different area, leaving Japan the only great power to be feared by China.

(To be Continued next week)

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What The American Press Thinks About It!

Editor Powell Censured

(Time Magazine, May 9)

THE resentment of Britons and American citizens in China against the Coolidge Administration finally boiled over and the American Chamber of Commerce of Shanghai met and demanded resignation from its membership of *The China Weekly Review*, the sole U. S. owned newspaper in Shanghai. Its editor, John B. Powell of Hannibal, Mo., felt obliged last week to resign as president of a prominent Chino-British-U. S. Club. For what was he thus censured?

In the editorial columns of his paper, Editor Powell had written:

"The Chamber of Commerce apparently believes in involving America in complications in this part of the world, which in my opinion, may have a far-reaching effect, even to the extent of another World War.

"I believe the Chinese have the right to express their views as well as the English or Americans, or others, and so long as I am engaged in the publication of an American paper in Shanghai it is my intention to give them a square deal.

"The American people have no business to interfere in the internal affairs of the Chinese."

An American In China

(Baltimore Evening Sun)

The frontiers of the American empire are far flung, but even in the uttermost regions of the earth it appears that our sentinels are on the job. Little children are told that if they were to dig long enough into the ground they would reach China. They can now be told that they would at the same time reach a real piece of America. For in Shanghai there flourishes an American Chamber of Commerce. It is very much alive and it is very much American.

The proof? In Shanghai is a newspaper, the *China Weekly Review*, whose editor is an American by birth but apparently not the right sort of American. Editor J. P. Powell has his own ideas about China. He doesn't think the United States should send troops there. He doesn't like barbed wire. But the American Chamber of Commerce likes troops and it likes wire. Therefore in true American fashion, the Chamber goes about trying to suppress the statement of opinions that conflict with its own. It demands that the paper edited by Mr. Powell be removed from the rolls.

People who have been alarmed lest American civilization lose its vigor may take heart. They will be refreshed to discover that although Americans are transplanted in the Orient they still have Chambers of Commerce that protest against the expression of opinions that differ from their own. The Shanghai Chamber of Commerce could do more if it were situated in Boston.

Shanghai Exoticism

(Louisville, Ky., Times)

Exoticism in Shanghai is divided into two parts. There are the foreigners who are in China—representing sundry nations—to exploit the Chinese. There are students of the Far East and its problems, and of the Far East as a world problem, who are sympathetic with the Chinese.

In the latter class are such men-of-experience as Thomas F. Millard, who is writing a weekly article for the New York *World*, and J. B. Powell, editor of *The China Weekly Review*.

Neither of these informed and disinterested observers favors intervention by the Powers. Both of them believe that the United States should keep eyes open, and hands off.

The American Chamber of Commerce in Shanghai, representing Americans who, as they would express it, are not in China for their health; self-exiled Americans who went into exile with the hope of profiting by their course, has asked Mr. Powell to resign his membership.

It is a matter of importance to America that Mr. Millard and Mr. Powell are in China, and in action. Both of them are likely to be uninfluenced by any measure short of effective violence which may be directed at their disposition to be outspoken. Their writing has high educative value. It would be unfortunate if Americans relied upon exploiting groups, including Americans, and upon diplomatic groups, for their information as to events and tendencies in China, for their views of America's obligations there.

Heresy In Shanghai

(Des Moines, Iowa, Register)

The American chamber of commerce in Shanghai at its annual meeting the other day adopted a resolution asking for

the resignation of *The China Weekly Review* from membership in that body.

In explanation of this action it was said that the *Review*, which is the only American periodical in Shanghai, opposed the sending of American troops to China and "other measures for the protection of lives and property" and "did not represent the views of the chamber of commerce."

In other words, it is a charge of chamber-of-commerce heresy.

The editor of the *Review*, J. B. Powell, who has protested vigorously against barbed-wire barricades and military measures, replied by saying that he had no intention of resigning or changing his policy.

He believes that his policy is more in the interest of American business than is the policy of force. He believes that membership in a chamber of commerce ought not to hinge on opinion.

Aside from the merits of the question of Chinese policy involved, it ought to be asked how much service can be performed for the consideration of any public question by a body that admits only one opinion in its own group. How likely is that opinion to be well considered?

A Real American

(Dubuque, Iowa, American-Tribune)

John B. Powell, editor of *The China Weekly Review*, is in bad with the American Chamber of Commerce at Shanghai. He has had the temerity to challenge the chamber's cablegram to Secretary Kellogg, in which American intervention in China was urged. This type of criticism does not register with the chamber leaders. So they ask the *China Review* to surrender its membership, which gives Editor Powell an opportunity to explain and read the chamber a lesson in how citizens abroad should conduct themselves. He says:

"I emphatically am of the opinion that the American people have no business or interest in intervening in China's internal political affairs, and I unqualifiedly am opposed to the American Chamber of Commerce's policy of trying to involve America in complications in this part of the world which, in my opinion, may be far reaching, even to the extent of another world war. The American policy in China always has been predicated upon an open door and equal opportunity, as shown by the Rooseveltian policy of returning the Boxer indemnity and former Secretary Hughes' attempt at the Washington conference to improve the far eastern situation in the belief that America's best interests in the orient might be served by a strong united democratic China."

Mr. Powell is apparently really interested in seeing America preserve its good name with the Chinese, a thing which seems to worry our business brethren in Shanghai less than the momentary security of their comparatively trivial investments.

What To Do In China

(Raleigh, N. C., News and Observer)

The Chinese situation is baffling. The multitude of reports, some harrowing, and the propaganda make for confusion. Wise men are approving the policy of the administration to protect American life and property and not to be a party to dictation of China in the control of its own affairs. The American people are sincerely opposed to force for any purpose except protection of its nationals.

In the absence of enough facts to justify certainty of judgment, the views that the two ablest American journalists in China should have great weight. Grover Clark, editor of Peking *Leader*, and J. B. Powell, editor of *The China Weekly Review*, are both opposed to the display of American military force in China. They declare that the future national interests, and permanent extension of American trade, are bound up in a policy of friendship and abstention from a policy of force.

These two editors have their all invested in China. They have the large point of view. It is true, as the Baltimore *Sun* points out, that "their personal interest in the preservation of the privileged foreign status is greater than that of most alien business men, who are but representatives of firms with headquarters thousands of miles away." These editors by their stand put in jeopardy their advertising and circulation revenue. Already the local American Chamber of Commerce, opposed to the policy of "a square deal in China," has repudiated Mr. Powell's position. His answer is that in the long run foreign business in China will prove prosperous only if the justice of the reasonable Chinese claims for treaty rectification is admitted.

The representatives of foreign business houses on the scene fear for some immediate loss of business unless the gunboats are at their beck and call. These editors believe this is a shortsighted point of view and they are undoubtedly wiser than the advocates of Dollar Diplomacy.

Mr. J. B. Powell on China

(Wisconsin Record-Herald)

The Milwaukee *Journal* quotes John B. Powell, editor of *The China Weekly Review*, as giving this expression of his views on the proper attitude of America toward the Chinese affairs:

I emphatically am of the opinion that the American people have no business or interest in intervening in China's internal political affairs, and I unqualifiedly am opposed to the American Chamber of Commerce's policy of trying to involve America in complications in this part of the world which, in my opinion, may be far reaching, even to the extent of another world war. The American policy in China always has been predicated upon an open door and equal opportunity, as shown by the Rooseveltian policy of returning the Boxer indemnity and former Secretary Hughes' attempt at the Washington conference to improve the far eastern situation in the belief that America's best interests in the orient might be a strong united democratic China.

So far as the Record-Herald has been able to observe, the course of the American government at Washington and the attitude of the American people generally are quite in accord with Mr. Powell's views. There is nothing in the Coolidge policy so far to lead to the belief that the United States is about to abandon its traditionally unselfish policy in China for a more aggressive and more selfish course of action. It is true, when Americans were among the other foreign victims of the recent anti-foreign uprising at Shanghai and Hankow, the United States joined with Great Britain, France, Italy and Japan in entering a strong protest against the Chinese action. It also sent battleships and marines and bluejackets to Chinese waters for the protection of American residents. Did not even the unselfishly holy America of the McKinley-Roosevelt days do about the same thing at the time of the Boxer outrages?

The difference is, that the United States refused to join the other powers in demanding reparations and punishment from China at this time. At the time of the Boxer outrages, reparations were imposed by this country along with other countries, but were afterward returned. Mr. Powell appears to be unnecessarily disturbed by the reputed behavior of the American Chamber of Commerce at Shanghai. The present administration at Washington has its weaknesses, but it is at least thoroughly American, and devoted to American policies which impose upon it the duty to be lenient with the Chinese, when they hardly know what they want to do themselves, apparently. But being kind to China does not necessarily imply that the United States is bound to smile gracefully whenever a Chinese kills an American who happens to be in the Orient for any cause, nor to give three rousing cheers if the Cantonese faction in China happens to tie up with Russia in an effort to dominate a quarter of the surface of the globe, which might easily happen under present conditions in the Far East.

There may be a few agitators who are eager to see the United States involved in Chinese affairs on the same basis as are Great Britain or other nations holding concessions in that country, but on the whole, American sentiment generally, and that seems to apply to the present administration as well as other Americans, adheres closely to the "open door" and the policy of Roosevelt and Hughes cited by Mr. Powell. Mr. Powell's warning is worth considering, of course—providing it is given from unselfish motives and with no ulterior purposes of his own.

The Real Question in China

(New Age Magazine, Masonic Publication, issued in Washington, D. C.)

The inhabitants of China have become divided into three great groups, along lines of division which exist everywhere in the world.

There are the conservative, or perhaps re-actionary group, led by the so-called "Northern War Lords"; the Red group, apparently working more or less in connection with the Russian Bolshevists, with its present capital at Hankow; and the liberal, but moderate, southern party under the leadership of Chiang-Kai-shek. It is in the last named party that the hope of China lies today. It is this party which stands for about the same form of free government and economic institutions as those which we have today in the United States. It is this party which is entitled to the sympathy and moral support of the freedom-loving citizens of our country.

Unfortunately this is the party upon which the foreign countries, having special interests in China, seek to place the blame and responsibility for all losses which may be caused by the existing hostilities in China. It is easy to understand the reason for this attitude, however difficult it may be to justify it. The "Northern War Lords," if secured in their own despotic power, might easily be persuaded to recognize

(Continued on page 62)

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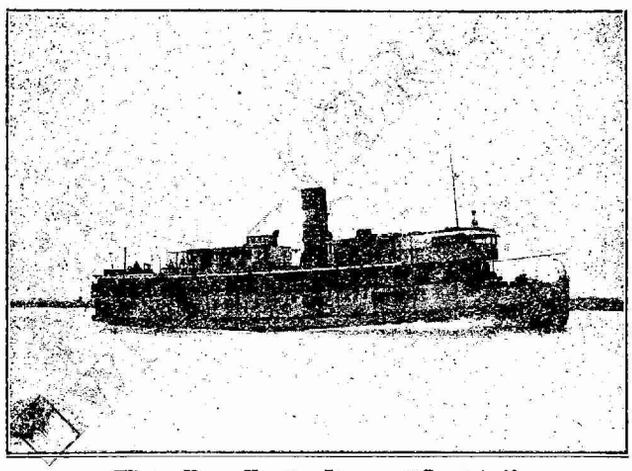

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(Continued from page 60)

the vast European concessions. The success of the Hankow Reds would be apt to produce a state of anarchy which would give foreign interests a chance to re-establish the old order of things. But the complete success of the southern liberals would mean the creation of a free, modernized China—a China which would demand and secure the full rights of sovereign state, a China in which the citizens of European countries would have the same rights and protection which they have today in other European countries (except Russia) or in the United States; but a China from which the special unfair rights of certain European countries would have departed forever.

It is to be hoped that the United States in this crisis, which so vitally affects the future of a quarter of the inhabitants of the world, will not permit herself to be used as a catspaw to pull any European chestnuts out of the Chinese fire.

The State Department's New Policy

(The Register, Danville, Va.)

Certain Americans resident in Shanghai and other Chinese cities are dissatisfied with the conciliatory policy of their home government. The British strong arm policy is more to their liking. It is their idea, moreover, that the State Department is suppressing important details of recent Chinese outrages against American subjects in order to prevent the emergence in America of a popular demand for a stronger policy than the administration is willing to approve.

This is familiar business. It is frequently the case that a country's nationals in a disturbed area abroad are dissatisfied with the home government's policy. The dissatisfaction arises not from a detached and judicial view of the difficulty, but from a measuring of the home government's policy by the yardstick of selfish interest. Thus we have the spectacle of Americans at Shanghai criticising the mildness of the American government toward the Nationalists because, in their view, it militates against their business interests there, while a few months back we had the spectacle of Americans in Constantinople criticising the harshness of American policy toward the new government of Turkey because, in their view, it militated against their business interests in the Near East. But, despite the fact, that it is an old story, Secretary Kellogg resents the charge of suppression and authorizes the following official statemeut:

"The State Department from the beginning has given out every particle of news, not only on the Nanking affair but on all subjects affecting American citizens and the attitude of China toward them.

A Good Sign!

(Ft. Pierre, Fla., Tribune)

We have had a hunch all along that our government was acting pretty wisely in the Chinese crisis. Now we know it is.

What makes us sure? Simply the fact that the *North China Daily News*, leading British newspaper in Shanghai, is bitterly attacking our policy.

The North China Daily News would like nothing better than to see British and American soldiers and sailors swing the mailed fist about China without regard for the rights of the Chinese or the tenets of common justice. It frankly would continue the old system of inequality and racial discrimination—by force of arms.

So if that paper is displeased with our conduct, we may congratulate ourselves heartily.

Fourth of July Celebration in Shanghai Being Arranged

The American community in Shanghai will celebrate Independence Day (July 4) on an even more elaborate scale than usual. The presence and participation of the U. S. naval and marine units here will add considerably to the importance of the occasion.

General plans for the day's celebration were worked out at a recent committee meeting at the U. S. Consulate General, C. J. Spiker acting as ex-officio chairman. The final details will be left over for the arrival of E. S. Cunningham, U. S. Consul General in Shanghai, who is just returning from an extended holiday in the United States.

The day's events will commence with the flag raising ceremony at 8 a. m. at the Consulate. Captains J. W. Baldwin and C. P. Holcomb will be in charge.

A reception will be held in the Consulate compound from 11.30 a. m. to 12.30 p. m. Consul General Cunningham and Naval and Marine Officers will welcome the guests.

The American Club will observe open house at 2.30 p. m. and baseball games will be played in the afternoon. In the evening there will be the usual lawn party. Complete arrangements for this event await the return from North China of Judge Purdy, who is the chairman of the committee.

Some Comments On The Shanghai Press

The Press In China

(Victoria, British Columbia, Times)

IT IS COMMON KNOWLEDGE THAT the British cause in China has been poorly served by secular newspapers published and edited in that country by British subjects and printed in English. Commenting on this, *The New Outlook*, issued under the authority of the United Church of Canada, says that *The North China Daily News* in particular continues to deserve this rebuke, and goes on to say that "the virulence with which it seeks to provoke bloodshed would suggest that the city must be safe from the troops and people against whom its venom is directed. Canadians should be in a peculiarly good position to judge of this paper, for long ago it vented its spleen upon the people of Szechwan whom Canadians know better than they do most Chinese. 'The cowardly Szechwanese' is the epithet applied by this paper in reporting events last Fall at Wanhsien. This offensive term was used in reporting the clash between British sailors and Szechwanese troops at that place."

The heaping of epithets, like the "sticking out of the tongue," continues *The Outlook*, "may be a childish form of activity; but the matter becomes serious when the newspapers of the Western world report as coming from a reliable source the latest allegations of that paper regarding 'atrocities' at Nanking. We do not know whether there were atrocities or not. And we are not any the more inclined to believe there were any just because *The North China Daily News* says there were."

Quite rightly are we reminded that a stream does not rise higher than its source, and, if this truculent, arrogant and spiteful journalism of the Treaty ports is to be the spring from which the West is to slake its thirst for information about China, then the people of the Western nations have a poor chance of keeping any balance in their attitude toward China.

The Peak Of Gall

(Milwaukee, Wis., Leader)

The British news fixers and their American allies in China are getting on the nerves of some American editors. Even *The Chicago Tribune*, which is not squeamish when atrocity stories about Mexico and Nicaragua come along, balks at recent attempts to cook up atrocity stories about American women in China.

The Tribune hints that these attempts were made with the indorsement of British officials for the purpose of giving the American people an atrocity which would bring them to demand of the American government a course in China consistent with British plans.

After setting a precedent in violating embassies and consulates, a precedent which may soon be very useful to Soviet Russia against whom it was set, the British censors now send out a hair-raising yarn about a Bolshevist plot to control the news from China.

This plot is one of the many which the British news doctors discovered when they violated the soviet embassy in Peking. Very likely they planted the so-called documents by which they now try to prove Bolshevist plots.

The complaint of Bolshevist news control, coming from this gang of professional capitalist news fixers, reminds us of Cicero's tirade against Cataline. Sedition is a crime only when preached by an oppressed class, and news fixing is immoral only when done by anti-imperialists and radicals.

This complaint comes from the gang that cooked up stories about Germany turning the corpses of soldiers into fertilizer, German soldiers cutting off the breasts of Belgian women and the hands of Belgian children. The same gang will not hesitate to report similar atrocities about American soldiers, if it suits the British game.

The same crowd falsifies American history in the textbooks of our public schools, and would like nothing better than to make American history as well as rewrite it for the greater glory of the British empire.

It was this same news polluting source which invented a Bolshevist letter to the British Labor government in order to get back to power. It is the "intelligence" service of the British government, in other words, the gumshoe department. It still sends out tainted news about British trade union and Labor party leaders, and tells lies to British voters, employing for this purpose czarist agents, whom it keeps well paid while the government cuts down the pittance for the British unemployed.

It is a good joke on Secretary Kellogg that this gang accuses him of suppressing some of their tainted stories. Kellogg himself worked the Bolshie bogie to a finish against Mexico and Nicaragua. Now he is getting a dose of his own medicine from his friends in the British secret service.

The British Diehards would like to occupy the Chinese Ruhr, the Yangtze valley. They haven't learned a thing from Poincare's failure in the Ruhr. Poincare's Ruhr adventure was the beginning of the British coal crisis. Evidently the Tories want some more of the same dose.

What We Are Doing In China

(Paducah, Ky., Sun)

There are some Americans who seem to have the idea that although the United States is obligated to protect Americans in China, the only justifiable way of doing it is to have our warships stand about thirty miles off the Chinese coast and send up a flight of white doves to testify to America's peaceful intentions.

It must come as a shock to such Americans to realize that the ruthless, imperialistic policy which the United States has been applying in China can possibly be regarded by anybody as a moderate policy. Great Britain so regards it.

The British are going ahead on their own hook. They have larger interests than the United States has in China, and they are going to protect those big interests by an unmistakable use of the big stick. And meanwhile the *North China Daily News*, the official British newspaper at Shanghai, berates the United States for its vacillation.

The *North China Daily News* not only assails the American government in general terms, but makes the specific accusation that the American state department has suppressed consular and diplomatic reports from its representatives in China concerning the Nanking affair which, if made public, would have caused the American people to demand a sterner attitude toward the Chinese Nationalist government.

To this assertion, Secretary Kellogg makes a reply so direct and so detailed as to be completely convincing.

"The state department," he says, "has from the beginning given out every particle of news, not only on the Nanking affair but on all subjects affecting American citizens and the attitude of China towards them. I do not think there is a thing here that we have not given to the public. We have suppressed no news of that kind. We have thought the American people were entitled to knowledge not only of the treatment of Americans in China but everything that happened in connection with their evacuation from dangerous places. There has been no suppression of news by the department of state."

The secretary's statement should convince anybody that the accusation of the British official newspaper in Shanghai is hollow. But the accusation has served a useful purpose. It has served to emphasize the strong difference between the American and the British attitudes in China. The United States refuses to take any action beyond that directly necessary for the protection of American life and property.

Ford to Install Assembly Plant at Dollar Wharf

Recent reports from the United States show that during the past few months the total sales of motor cars has somewhat decreased. This fact is partly explained by the large percentage of cars, bought on the installment plan, that are "repossessed", and which in turn are again thrown on the market in competition with the new cars.

Many a motor car manufacturer, with the map of the world before him, looks at China with its huge area and visualizes a big business in this part of the world. However, the really big business must be a matter of some years in the future. But in the end it will probably be the case in China as it was in America that the building of good roads will come upon the insistent demands of the motorists.

The Ford Motor Co. has recently sent telegrams to its agencies throughout the world announcing that some time this year there will be placed on the market a new Ford model. This time it is promised to be something more than a mere change in the body, and while exact details have not yet been made public, it is understood that the new car will be a four-cylinder with a standard gear shift.

Visualizing a considerably increased business in Ford cars as soon as the present civil war in China is abated, particularly in the northern and central parts of China, where transport is mostly by road, and not by canals as in this part of China, the local agents, the Bills Motor Co. are improving their facilities for storage, assembly, and instruction for mechanics and drivers.

Ford cars for China are shipped out from New York, completely knocked down. They come mostly by the Dollar

round-the-world steamers, and naturally are landed at the Dollar wharf in Pootung. The Ford representatives have now made arrangements with the Dollar company to use one of the wharf buildings for their exclusive use.

"Completely knocked down" means, say that forty right hand fenders will arrive here in one case. Suppose an order comes say from an agency in Hongkong for five cars. Five right hand fenders and other parts for five cars will be selected and repacked, the shipment from here being sent "partly knocked down."

Heretofore these operations were carried out at considerable expense, as both river and land transport in two directions were involved. Hereafter this assembling will be done in the new Ford assembly plant at the Dollar wharf. Of course, it is not an assembly plant in the real sense of the Ford term where travelling belts carry the car and its parts. Such a plant is still something for the future, so far as China is concerned.

One of the important functions which the new Ford installation at Pootung will perform is the instruction of mechanics and chauffeurs to operate cars. The Ford people look for a very considerable increase of business in northern and western China. Under existing circumstances, nearly all competent mechanics are Shanghai men, and when they are sent up country they are at a disadvantage in that they do not speak the same dialect, and what is more, most of them, instead of showing an inclination to instruct, presume on their favored position and start in to make money "on their own", in addition to their salary.

It is the intention of the Ford organization to bring men from up country to Shanghai and instruct them here, so that they may go back to the districts where the increase in business is expected and perform the services which are now indifferently attended to by men sent from here.

Senator Borah Opposes Coercion in China

The followiug are extracts from an address delivered by Senator William E. Borah at Clevelan t, Ohio, May 9 in support of a five-power treaty to "put the ban of outlawry on war" with China.

"The Chinese situation presents perhaps the most vital foreign problem since the war. There are more than 400,000,000 people in China, while some 300,000,000 more sympathize thoroughly with their struggle for national independence. The entire Orient is saturated with the same feeling which actuates China. In dealing with China, we are in some respects dealing with nearly one-half the people on the globe. A vast territory of almost incalculable natural wealth and trade possibilities are the stakes for which the diplomacy of the world is playing.

"The policy of President Coolidge announced in his address in New York May 25 looks to peace. It looks to a united, and strong China, standing on a basis of equality with other nations. It announces a policy in harmony with principles of international justice and decency.

"There is another policy. I quote from an official source: 'Force is the only argument that the Chinese understand or respect. Conciliatory measures offered by us are accepted by them as admissions of weakness.'

"What is the meaning of this policy? What is the practical effect of this doctrine of force? Let us follow it out in all its sordid and bloody detail. It means the rights of foreigners to seize and exploit China's wealth, and when China objects, answer her with armies and navies, 'the only thing which China understands.' It means an effort to crush the nationalistic movement in China, the nationalistic spirit of 400,000,000 people—to accomplish which, I venture to predict, is impossible, and to undertake which means the loss of millions in treasure and hundreds of thousands in lives.

"This discredited old maxim that force is the only thing which a dependent or weak people respect has served its day and time. It has its record of misery and bloodshed to tell. It has shielded exploitation and justified oppression in times that are gone. But I trust the world has outlived it. This policy will no longer be accepted by the intelligence or conscience of mankind. If force is to be used it will not be because it is the only things which China respects, but it will be because it is the only thing those using it understand. It will not measure the moral perceptions of the Chinese, but the immoral conceptions of her antagonists. From this policy we have turned away. We reject it. We announce a wholly different policy. We reannounce and reassert the policy which we have undertaken to maintain from the days of Burlingame until now."

"Hope We Shall Go No Further into the Quagmire,"—Lloyd George

Mr. Lloyd George, former Prime Minister of Great Britain and at present leader in Parliament for the Liberal Party in an address at Pwllheli recently as reported by the *Manchester Guardian* dealing with the situation in China, said it was "unfortunate that no effective measures were taken to make good the agreement which we entered into with the other Powers at the Washington Conference five years ago to recognise the sovereignty and independence of China throughout the whole dominions of the Chinese Republic."

"The Conservative Government of 1923," he said, "failed to press the matter forward, and although Mr. MacDonald is very critical of others now, it must not be forgotten that neither did he take any effective step to carry out the Washington recognition of Chinese integrity, sovereignty, and independence. Sir Austen Chamberlain did his best, and although he is a political opponent and member of a Government to which I am opposed I am bound to recognise that he has acted with courage, and has done his best to carry out the Washington Agreement. But it was too late. Three years ago even it might have been done, but China was torn by civil war and distractions of every kind, and it was almost impossible to effect any rational settlements.

"We have sent 20,000 to 30,000 men to China. I was in favor of such an expedition being sent to protect the little British colony at Shanghai, but I do earnestly hope that we shall not go farther into the quagmire. There is a real danger of that happening. China is one vast morass of conflicting interests and quarrels, and if we go farther we shall find our feet entangled, and it will be very difficult to extricate ourselves without incalculable consequences. Our business is to secure the friendship of this great people.

"Even from a trading point of view there are greater possibilities in China than in any other country in the world. As she becomes richer—before the present tumult she was increasing in wealth and resources through railways and machinery, as well as through the industry of her people—she becomes a better customer for British goods. There is a great awakening throughout Asia. We have seen the beginning of it in Japan. The dawn has now broken for China, perhaps reddening the sky, but full light of day will come. Peace will ultimately be restored, maybe after years of conflict. But what matters to us is that when that time comes we should find the four hundred millions of people in China our friends and neighbors, and not bitter enemies."

Nationalists Take Over Whangpoo Conservancy

The Whangpoo Conservancy Board and the Yangtsze River Commission were taken over during the week by a committee of six members appointed by the Shanghai branch of the Central Political Council of the Nanking Nationalist government.

In announcing the change, Quo Tai-chi, Commissioner of Foreign Affairs, who is the Chairman of the Whangpoo Conservancy Board, stated that many of the provisional regulations and bylaws of the Board are contrary to the policies of the Nationalist Government, and therefore changes were being made to suit existing conditions.

A fund of Mex. $275,000, realized by the Board from the sale of land, and now on deposit in Shanghai banks, is among the matters to be adjusted.

The Board is at present composed of three members: the Commissioner of Foreign Affairs, Quo Tai-chi; the Shanghai Commissioner of Customs, F. W. Maze, and the Harbor Master, A. Hotson. The last two named members are British.

The engineer-in-chief is H. von Heidenstam, of Holland. Associate engineers are H. Chatley, E. C. Stoker, J. G. Irvine and H. F. Meyer. There is also a large staff of Chinese and foreign technicians in this department.

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What They Say!

Melbourne, Australia,
May 4, 1927.

Editor, *The China Weekly Review*:—Am enclosing a newspaper cutting from the Melbourne *Argus* which mentions your name and as I am a reader of *The Review*, I wish to state that the persecution of you by local commercial interests is, in my opinion, entirely unjustified. I have been reading your paper for the past twelve months and have not found it to be either 'anti-foreign' or unfair, but constitutes a fair comment on the present situation in China.

I am quite sure that in the very near future your opponents will see the wisdom of your articles davocating peace, which are calculated to bring about a friendly settlement of the troubles between East and West. Kindly accept my sincere sympathy for the persecution which you are apparently suffering.

SUBSCRIBER

Socrabaja, Java,
May 23, 1927.

Editor, *The China Weekly Review*:—I have been a constant reader of the foreign newspapers from China and I have always found *The China Weekly Review* to be the exception owing to its determined stand for Justice and Fairplay. I cannot do otherwise than congratulate you for your courageous stand which you have taken in respect to the attempt of the American Chamber of Commerce to muzzle you and your opinions.

Frankly, I consider it a disgrace to the American nation as a whole that the American Chamber in Shanghai should have taken such an unreasonable and undemocratic action in asking you to resign from its membership simply because you have been trying to do Justice to the Chinese. Since the time of Washington, America has been the advocate and expounder of Modern Democracy, but the action of the American Chamber in Shanghai is not synonomous with that term.

Many of the newspapers here have published articles referring to your case with the American Chamber and I can assure you that your action has received the support of fair minded persons who know what Justice means in the relations of nations.

MERCHANT

Tientsin, China,
May 30, 1927.

Editor, *The China Weekly Review*:—I have had many conversations lately with Chinese pertaining to the question of Chinese-American relations and you may be interested in some of the conclusions, which are: First, the Chinese are gratified at the policy of the American Government, subsequent to the Nanking incident, in not being a party to an international ultimatum supported by military sanctions, and that to resort to methods of military force would not only fail to accomplish their avowed object, but will multiply the problems and difficulties in Chinese-American relationships. Second, I find that the Chinese heartily commend you personally for the stand you have taken as indicated in your differences with the Shanghai American Chamber of Commerce, considering that you discern more correctly than they (the members of the Chamber) the course which should be followed for the best interests of both America and China.

A FOREIGNER

Williamstown, Mass.,
May 12, 1927.

Editor, *The China Weekly Review*:—The American newspapers have been printing accounts of your ways and doings and of the offense taken at them by certain persons of importance in Shanghai. It is hard to see from the newspaper accounts, just what awful crime you are charged with, but my surprise is that you should be so rigorously condemned. I have no doubt that you have been presenting the reasonable point of view and I wish to subscribe my approval of your position if it is worth anything to you.

Putting things together, I judge this to be the situation. The foreign community at Shanghai and in China in general want to maintain the status quo. Upon this they would be in general agreement and it seems to me an impossible position. It is out of touch with the point of view of those in charge of policy either in Washington or London. During the trouble of some weeks ago, the foreign community got themselves into a state of mind of which barbed-wire entanglements are a sort of symbol. For a time they wanted the Chinese overawed. This is an even more impossible position than the other. Neither London nor Washington, as I guess it, is interested in plans to overawe the Chinese.

In Shanghai the presence of the British troops and the generally British tone of things produced the impression that the U. S. A. was holding back. As a matter of fact the British Foreign Office was probably as far from accepting the policy advocated by certain British groups in Shanghai as was the American State Department from accepting the views of a certain group of Americans. It was, in general, foreseen that after all those who live in China must get along with the Chinese. The main question is how to do it. There seems to be one general principle the sooner we get away from behind barricades the better. This it seemed to me was your position and if it is, I am all for it.

American opinion has not been aroused against the Chinese by anything which has happened so far; and, of course, we both appreciate that it is a shortsighted policy, if not a suicidal policy, on the part of the Shanghai community or the Missionary community in China to do anything toward seriously arousing it. If the United States were to take an anti-Chinese viewpoint for ten years or so the harm would be done to the very Americans among others, who are interested in our relations with China whether commercial or otherwise.

There has been much criticism, for example, of Frederick Moore of the New York *Times*, as reflecting the Shanghai Club point of view and it is rumored that he has been told to change his tune. In time you will no doubt be respected for your stand and I hope it is not causing you real trouble or difficulty at the present time. Hoping that your sense of humor is working, I am,

AMERICAN READER

Arima, Japan,
June 1, 1927.

Editor, *The China Weekly Review*:—*The Review* for May 7 just came with your account of the astounding news of how untrue to the spirit of America some of our fellow citizens can be. Meantime every true son of Uncle Sam who learns how bravely, with what loyalty to the highest interests of our country and with what justice and broad humanity toward China you have borne yourself in the conduct of your paper, is justly proud of you. Here's wishing you increased courage and insight in your difficult and most useful service to our common humanity, to China and to America.

AN AMERICAN WELL-WISHER

Exports to United States Show Fair Volume

Despite the civil war in China, exports to the United States from China have continued pretty much at their normal volume. Thus, we find according to statistics just issued by the United States Consulate General at Shanghai giving a summary of all exports from China during the month of March, this year, that the total is Gold $16,168,409. If anything, these figures seem to show an increase over the year 1926 and also the year 1925. The total of China exports to the United States for the whole first quarter last year was $37,290,217 and for the year previous $46,576,198, and dividing these figures by three we get a considerably lower monthly average than the figures for March this year above quoted.

China's exports to the United States are fairly well stabilized. One always looks under silk for the biggest figures, the ones for the month under review being G$6,618,048. Here are some other important items: Eggs in various forms and sausage casings account for $583,319, about half for each. Calf skins show up with $1,326,472, squirrel skins with $855,486, marmot skins with $690,226 and weasel skins with $657,552. Peanut kernels and walnut kernels were exported to a combined value of half a million dollars. Chinese wood oil, despite all the troubles in the Yangstze valley, was exported to a value of almost a million and a quarter gold dollars. Sheeps' wool and China carpets together account for another million dollars.

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The Commercial Press, Ltd., Publishers

Taxes on Cocoons

BY PAUL K. WHANG

THE principal fault with the present system of levying taxes on cocoons in the cocoon-producing districts of Central China lies in the fact that it lacks uniformity in assessment. To the astonishment of silkmen themselves, the aggregate sum paid for various forms of taxes on cocoons is not the same in different provinces, nay, even in different districts of the same province. The provincial authorities of three provinces, Kiangsu, Chekiang, and Anhwei, have never attempted to make the assessment a uniform one, while the district chiefs have vied with each other in increasing the revenue by imposing new forms of taxes on various pretences. Besides taxes and surtaxes levied by the provincial and local governments, the silkmen are also requested to pay various forms of fees and to make special contributions, which all in all will also amount to a substantial sum. Some of the taxes when they were first levied were known as emergency measures; but once they came into being, their chance of abolition was very slim, even though they have no longer any *raison d'etre.* Attempts have been made on the part of silkmen to revise the system of taxation so as to make it uniform elsewhere, but they have never been successful in bringing different governments to an understanding. The following is a list of taxes, fees, and special contributions, which the silkmen in most cases are liable to pay.

Taxes Lack Uniformity

(1) In Kiangsu and Chekiang provinces, the tax on cocoons, or the tax proper, was fixed in 1912 at six dollars per picul (or 133 English pounds) of dry cocoons, but was increased to eight dollars in 1914. Up to the present time, this sum has remained unchanged. In Anhwei where cocoon industry has been newly introduced, the tax varies to a great extent in different districts, ranging from $2.20 to $6.00 per picul.

(2) In Kiangsu province only, a surtax of 20%, or $1.60, has to be paid on every picul of dry cocoons since 1925. In the Spring of that year, Kiangu was under the control of Chang Tsung-chang's soldiers, whose presence in the cocoon-producing districts annoyed the farmers as it would eventually interfere with their cultivation of silkworms. The silkmen realizing that their interest was at stake finally yielded to the payment of a special tax of 20% on every picul of dry cocoons as a means of sending off these notorious soldiers in order to save the cocoon and silk industry. When this special tax was first contemplated, it was understood that it was a temporary measure. But, however, in 1926 the government under the leadership of Sun Chuan-feng refused to take it off the list, despite the fact that there were no more of Chang Tsung-chang's soldiers to be dispatched.

(3) A special tax known as general welfare tax will be levied elsewhere in Central China. The money derived from this source is said to be appropriated for the maintenance of various public works, such as the improvement of waterways, the up-keep of dykes in several districts of Chekiang, the maintenance of public schools and philanthropic institutions, and the improvement of the quality of native silk. The amount of this tax varies in different districts, as many forms of this tax are imposed by the local governments. At Wusih, about forty-five cents of this tax will be paid on every picul of dry cocoons, while at Soochow, one cent of every dollar paid for cocoons will go to this tax. This tax in several districts of Chekiang will amount to one dollar. The money thus raised, if well spent, will render a great service to the general public, but, sad to say, it has always been misappropriated.

(4) All the cocoons bought in Chekiang and finally shipped to Shanghai will pay a tax of one dollar on every picul of dry cocoons, while Anhwei cocoons shipped to Shanghai will pay a tax several times larger.

(5) A special fee of thirty cents per picul of dry cocoons will be paid to the treasury of the Silk Filatures and Cocoon Merchants Guild. This amount is the same in three provinces. It is collected by the government and later paid back to the Guild.

(6) A special fee of ten cents per picul of dry cocoons will be assessed for the purpose of supporting the International Committee for the Improvement of Sericulture. This is also uniform elsewhere, and collected by the government for the said Committee.

(7) A stamp tax from two to six dollars will be allocated to each cocoon hong, or cocoon-buying station.

(8) Oftentimes, the silkmen who sometimes are the owners of cocoon hongs are called upon to make special contributions to the fund for erecting new bridges or paving the streets in the district where the cocoon hong is located.

System Lacks Uniformity

It goes without saying that the above list is by no means exhaustive, but will give us some idea as to the various forms of taxes and fees imposed on cocoons. Lack of uniformity in the present system will not only introduce fraud on the part of tax-collectors, but will also baffle the understanding of the silkmen. Moreover, many forms of taxes imposed under the good name of general welfare have never answered their original purposes. Under the present system, for every picul of dry cocoons, the silkmen will pay more than twelve dollars for taxes and fees in Chekiang and about eleven dollars in Kiangsu. In Kiangsu, Wusieh is set aside as a special area for the payment of taxes on cocoons. The silk filatures of Wusih, which buy cocoons from Wusih district do not have to pay tax on cocoons, but will pay tax on silk on the basis of 475 catties of dry cocoons equivalent to one picul or 100 catties of raw silk. This standard was established long ago. On account of the deterioration of the quality of Wusih cocoons, it now takes six or seven piculs of dry cocoons to make one picul of raw silk. Therefore, the Wusih silkmen have been specially favored in having their filatures located at Wusih in order to take advantage of paying a less amount of taxes.

In need of money to carry on the campaign against its enemies, the Nationalist government has proposed to make a levy of 2.3% surtax on cocoons, that is, $3.75 per picul of dry cocoons (it is calculated on the basis of fresh cocoons bought at $50 per picul and three piculs of fresh cocoons equal to one picul of dry cocoons). In their recent petition to the Nanking government, the silkmen have expressed their willingness to pay this 2.5% surtax, but in turn ask the abolition of all the miscellaneous taxes which are illegal in their eyes. Part of the petition runs this way:

"The tax proper on cocoons of Kiangsu and Chekiang provinces since the inauguration of our Republic was fixed by the provincial authorities at $6.00 per picul, with the abolition of all the other miscellaneous taxes except the fee of thirty cents paid to the Silk Filatures and Cocoon Merchants Guild. But before three years has elapsed the tax proper was increased to $8.00, coupled with the introduction of many forms of special taxes imposed under the name of general welfare. Including the export tax paid on raw silk, the total amount of taxes will amount to $100.00 for the cocoons bought in Kiangsu and reeled into silk at Shanghai; the tax will increase to $110.00, if Chekiang cocoons are bought and reeled at Shanghai. These figures clearly indicate that the taxes alone will amount to 8% of the total cost of production. The most notorious tax ever levied is the 20% special tax for despatching Chang Tsung-Chang's soldiers in 1925. The special taxes levied in Chekiang for keeping up the public works are nothing but ridiculous, as the money thus raised has never been devoted to the right use.

"In accordance with our last year's statistics, the total production of cocoons in Kiangsu and Chekiang was 200,000 piculs of dry cocoons. From our own estimation, if you levy two dollars on every picul, you can easily have 400,000 dollars at your disposal. Besides the tax proper, the surtax, and fees voluntarily contributed, all the other forms of taxation should be abolished. ....."

In replying to the above petition, the Kiangsu Provincial Government has agreed to abolish the miscellaneous taxes, but insisted that the surtax should be increased to $4.00 per picul instead of $3.75 as originally proposed. This year the silkmen of Kiangsu will pay $12,40 for taxes and fees all in all (tax proper $8.00, surtax $4.00, fee for Guild 30 cents, and fee for the International Committee to 10 cents). In Chekiang, they will pay the taxes in accordance with last year's schedule. As to Anhwei, the question has not as yet been settled. In short, the time is not far off for drafting a uniform schedule of taxation, which will be in force everywhere throughout Central China.

Large Class Graduates at Shanghai American School

The Shanghai American School held its eleventh annual commencement exercises June 10. Thirty three students graduated, 18 boys and 15 girls. The following is the list of the graduates. Samuel Meilman, Pres., John M. Antoniantz, Arthur B. Bankhardt, Mary R. Barlow, Betty Billing, Elizabeth G. Blain, J. Sherwin Brenneman, Willis E. Brown, Helen E. Campbell, Horace T. Day, Robert Elliott, Mary Frances Espey, Leonard Everett, Janet H. Fitch, Benjamin Fuson, Lester S. Gale, Ida Gorelkina, John H. Gray, jr., Olive M. Harris, William Johnson, Agnes P. Junkin, Martha Lacy, Lucy A. Lee, C. Marshall Lee, jr., Ruth P. Morgan, Lura Snell, Mary A. Selden, Helen Stroebe, Addison A. Talbot, jr., George B. Talbot, Clarence M. Wilbur, E. Sidney Willis, and J. Rhett Wilson.

The principal address was made by Prof. E. M. Poteat, who spoke on "The Cost of High Living." The speaker dwelt on the theme that the natural animal instinct was self-preservation and that alone, but in the human it was important that the spirit of self sacrifice should be dominant.

Why Don't Chinese Eat American Sardines?

BY GEO. W. MISSEMER

WHY certain nationalities, or races, or peoples take a fancy to certain kinds of food will probably always remain as much of a mystery as how it comes about that certain nationalities have gained a reputation for specializing in certain foods which they by no means deserve. Probably the schoolboys of America nowadays know better, but a quarter of a century ago the average American school child was firmly convinced that the Chinese ate rats as an article of regular diet. As a matter of fact the Chinese have only been known to eat rats in times of famine just, as under similar circumstances, the inhabitants of Paris during the siege of the Commune ate cats, or Minister Conger in Peking in Boxer days ate donkey meat.

If popular opinion were to be accepted, the French are great consumers of frogs' legs, but when one gets to Paris one sees no evidences of such a supposed fact. On the contrary frogs' legs are very scarce in the French capital. The Germans are supposed to be great eaters of sauerkraut, but statistics show that when it comes to eating corned cabbage it is the residents of Paris that are the "guilty" ones and not the Berliners. Another mistaken idea is that the Viennese are great consumers of rolls. Probably it is the name that gives the mistaken impression. Here again statistics show that the Parisians eat more rolls than do the citizens of the whole of the republic of Austria. But popular impression is correct in at least one respect—the Italians do eat great quantities of macaroni!

That the Chinese are great eaters of rice is a well-known fact, but that they are gradually turning to a wheat diet is a fact which is not so well known. One reason for this trend in the Chinese dietary is that the price of rice has risen very considerably in recent years. This matter of the acquiring of a taste for flour instead of ricemeal is mentioned because of its bearing on the subject now to be discussed.

In recent years there has been developed a very considerable export of American sardines. Whether or not these large-sized fish are really sardines, or not, they are called that. They are packed in flat, oval tins, with contents about six times as great as the tins of familiar Norwegian, Portuguese or French origin. These fish are caught almost exclusively on the waters bordering the southern half of California, and between them Los Angeles and San Francisco export about equal quantities of the five million odd gold dollars worth of these fish that are sent out of the United States. The business of catching the fish is largely in Japanese hands.

It is interesting to note where these sardines go. Driblets of them go to nearly every country in the world, but the really big trade is with the Philippine Islands and the Straits Settlements, each of which takes more than a million dollars worth of this canned delicacy. As against the countries to the South of us, China only takes an annual import of these sardines to a value of G$58,000, and most of these are doubtless eaten by foreigners and not by Chinese. The question naturally arises, why should the Filipinos and Malays eat so ravenously of American sardines and the Chinese practically not at all. Capt. Robert Dollar relates the story in a recent issue of *The Outlook* that in the Straits the small shopkeepers usually open the tins to sell their contents, and purchasers can be seen buying a single fish or even only half a one.

Apparently there is some pioneer work to be done here in popularizing the American sardine in China, so that it may also become a million dollar business, as it is in the Philippines and in the Straits. There is nothing about the physiological structure of the inhabitants of the two above-mentioned countries that makes them naturally more avid for sardines than is the case with the Chinese. It merely seems to be a case of the sardine not yet having "caught on", as has, for example, the cigarette. America exports more cigarettes to China than to all other countries of the world combined.

Dr. E. J. Anderson, principal of the school, in a short address said it was with mixed joy and sorrow that he saw this large class leave the school, but all were deserving of the honors they were receiving. A. R. Hager, chairman of the board of managers, awarded the diplomas.

Scholarships were announced as follows: Rotary Club—John H. Gray, jr. American Association of University Women—Martha Lacy. Pomona College—Robert Elliott.

Music was furnished by the 4th Regiment of the U. S. Marine Corps band.

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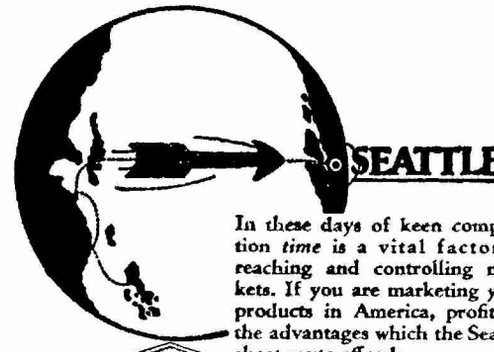

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In the United States Court for China

In re Estate of	Cause No. 2923
ALEXANDER McGREGOR,	Estate No. 619
Deceased.	NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of ALEXANDER McGREGOR, deceased, to present the same with vouchers to the undersigned on or before December 4, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

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SHANGHAI.

Men and Events

The Summer diseases' hospital of the Red Cross Society of China situated in Tientsin road, Shanghai, was formally opened June 17.

Dr. F. Wilhelm has joined the law office of Musso & Fischer, Shanghai, the firm now being known as Musso, Fischer and Wilhelm.

The Salvation Army recently commenced operations in Shanghai. Nightly meetings are being held in the Royal Asiatic Society premises.

The death occurred in Scotland June 8 of John Archibald, proprietor of the *Central China Post*, Hankow, at the age of 75. He is survived by a son, Harry, residing at Hankow.

The U. S. transport *Chaumont* arrived in Shanghai June 13 from Manila with 1200 marines, in command of Col. Davis. An aviation unit with airplanes came by the same transport.

Senator H. Bingham accompanied by his son Woodbridge, who is on a tour of China investigating conditions at first hand, was in Shanghai for several days during the week.

Y. Tsurumi, Japanese representative at the Williamstown Institute, made an address on the subject, "An Interpretation of Modern Japan," at the Pan-Pacific Ocean tiffin held at the Union Club, Shanghai, June 13.

The Foreign Woman's Home, situated at 18 Baikal road, Shanghai, in its annual report for 1926, recently issued, announces that the most important development in the year's work was the opening of a separate home for children.

Proceedings took place in the U. S. Court for China during the week against William W. Worthington, a member of the American bar, and Samuel Chaiet, on charges brought by the Municipal Police of being in unlawful possession of firearms.

Julean Arnold, American commercial attache, was the host to a large body of prominent Chinese at a reception and tea held at 3 Canton road, Shanghai, June 17, on the occasion of an exposition of the trade promotion facilities of the U. S. Department of Commerce.

Secretary of State Kellogg denied at Washington April 28 that the Department had suppressed any of the news received from China either as regards the Nanking affair or any other matter. This announcement was made following allegations published in Shanghai.

More that 1,200 tons of wood-oil was shipped from Shanghai to San Francisco by the s.s. *President Grant* May 12, according to Shanghai Customs statistics issued during the week. On May 20 the s.s. *President Lincoln* took to Seattle more than 1,000 tons of the same product.

Importation into Shanghai (and presumably also into other ports in China) of narcotics shipped from Germany will not be allowed after July 1, nor from Switzerland after September 1, 1927, unless covered by an import certificate, according to recent notifications issued by the Custom House.

Three Chinese congresses will be held in Geneva, Switzerland, in the latter half of September. There will be a congress of Sinologists, one of Sinophiles and also one of Sinophobes. The last named is described as being to "combat all the ancient and modern questions proposed by Chinese or Occidentals."

E. S. Cunningham was expected to arrive from the United States June 17 and resume his duties as American Consul General at Shanghai. C. E. Gauss, who had been in charge in Mr. Cunningham's absence, left Shanghai June 9 to resume his duties at the Consulate at Tientsin. C. J. Spiker was in charge at Shanghai in the interim.

An American newspaper correspondent telegraphed from Paris April 27 that the French government had been informed that Japan was energetically supporting Chiang Kai-shek. It was further stated that Japan, by working through Chang Tso-lin in the north and Chiang Kai-shek in the south, hoped to occupy the most favorable position in China.

The Institute of Pacific Relations will convene at Hawaii July 15 for a two-weeks session. Dr. David Z. T. Yui, general secretary of the Y. M. C. A. National Committee, is the head of the delegation from China. The current *News Bulletin* contains contributions by L. T. Chen, prominent in Y. M. C. A. work and Shao Chang-lee, professor of Chinese language at the University of Hawaii.

The National Anti-Opium Association of China held a series of meetings during the week from June 2 to 9, at its headquarters 23 Yuenmingyuen road Shanghai, when elaborate plans were laid for the National Anti-Opium Week to be held October 2 to 8. Many of the most important organizations of Shanghai, including the Merchants Union, are cooperating in this anti-opium movement.

H. C. Ho, President of the Chih Tze University, has been appointed examiner for civil officers of Anhui Province by the Nationalist Government. It is understood that Dr. Ho is going to leave for his new post next week. Dr Ho is an Ameri-

Who's Who in China

Dr. Sarkon K. Ou
(Wu Shou-kung)
伍守恭

Dr. Sarkon K. Ou, son of Mr. W. Y. Ou, director of the Shanghai Commercial and Savings Bank, was born in Wuchang, Hupeh, in 1900, though his ancestral home is Changchow, Kiangsu. After finishing his primary education at College St. Ignace, Shanghai, he entered Soochow University Middle School No. 2 from which he was graduated in 1918. In the same year he entered Soochow University where he remained till 1920. While at Soochow, he was actively engaged in various undergraduate activities, including the memorable "May 4th Movement." He represented Soochow University in the Students Union and was elected Chairman of the Propaganda Committee as well as a member of the Advisory Council. In the spring of 1920 he entered the Philippine Law School and the University of Philippines, Manila, where he remained for some time. He went to America and entered the University of Chicago the following year. For two years he studied Political Science and received the degree of Ph. B. in 1923. In 1925, upon completion of further studies in law, he received the degree of J. D. During his last year in Chicago, he was Chairman of the Chinese Students' Club, one of the organizers of the International Students' Club and also a member of the Friends of China Club. Following the completion of his studies in America, Dr. Ou went to Europe and did research work at Brussels and Paris. He also attended the first Special Session of the Assembly of the League of Nations at Geneva. At the conclusion of the Conference he returned to China and was appointed Secretary to the Special Commissioner for Foreign Affairs for Kiangsu in June, 1925. Promoted to the First Secretaryship within a few months, he assisted in the negotiations for the rendition of the International Mixed Court. When the Rendition Agreement went into effect, he was appointed assistant Judge of the Provisional Court which position he still holds.

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can returned student from Michigan University. He was the Chinese delegate to the International Bar Association at Manila in 1925 and is the treasurer of that association.

T. O. Schmid, local general manager of Anderson, Clayton & Co., international cotton merchants, and large importers of cotton from the United States to China, was the host June 11 to some four score Chinese, Japanese and British cotton mill men, at an elaborate dinner at the Astor House, preparatory to his leaving on a business trip to India, Egypt and other countries. Mr. Schmid will also visit Switzerland, his native land.

In the United States Court for China

In re Estate of	Cause No. 2936
J. E. WILLIAMS,	Estate No. 653
Deceased.	NOTICE

Pursuant to an Order of said Court, notice is hereby given to all persons having claims against the Estate of J. E. WILLIAMS, deceased, to present the same with vouchers to the undersigned, on or before December 4, 1927, and all persons owing debts to said deceased are hereby notified to make payment of the same in due course to the undersigned.

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Kou Van Yoon, Manager of the E. Zung Foong Cotton Yarn House.
Lou Cho Bin, Manager of the Mo Chang Cotton Yarn House.
Cheng Song Ding, Manager of the Zung Shen Cotton Yarn House.
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T.M. Chang, General Secretary of the Chinese Cotton Mill Owners Association; Pang Ching Pao, General Comprador of the Jardine Matheson and Co., Ltd; Tung Zoong Sun, Chinese Manager of the Zoong Sin Cotton Mill.

Truth and Propaganda Regarding the Situation in the North

BY J. B. P.

It is always interesting to observe the reactions of foreigners who reside in the treaty ports, particularly Shanghai and Tientsin, and who read the 'official' British newspapers exclusively, in respect to any particular Chinese political situation. Just now it probably would be safe to make a wager that most foreigners, in Shanghai particularly, think that an alliance shortly will be formed between General Chiang Kai-shek and Chang Tso-ling and Yeh Hsi-shan for the subjugation of the Hankow Government. The reason for this state of mind is that foreigners, particularly the British and Japanese, would like to see something like this come about. They have read the voluminous propaganda which has appeared in the press, particularly in papers like the 'official' *North China Daily News*, hence they think the whole thing is going over as per schedule. When the Nationalists were advancing into Chekiang province on the way to Shanghai we had a similar example of this sort of situation. The foreigners in Shanghai, particularly the British, didn't want the Nationalists to capture this district; the British press spread propaganda regarding the invulnerability of their friend Sun Chuan-fang, that he could not be defeated and so on. Hence their surprise and consternation when they woke up one morning to find that Sun Chuan-fang had been defeated and driven out.

Gen. Chiang Kai-shek

It is more than likely that the situation in North China will develop similarly and that there will be surprise and consternation again when the foreigners, particularly the British and Japanese, suddenly wake up some morning to find that their friend, the Warlord of Mukden, has been defeated and driven out. We are of course making no forecasts as to when this may happen, but that it is bound to happen eventually, is nothing more than a logical outcome of the present and past situation of China.

The Japanese Propaganda

Most of the stories which have appeared in the Shanghai press regarding alliances in the North have originated with the Japanese propagandists, who would be immensely gratified to see Chang Tso-ling and Chiang Kai-shek get together. They would also be tremendously gratified to see Chang Tso-ling and Yen Hsi-shan, tupan of Shansi province get together. They would like to see anything come about which would have the effect of stopping the Nationalist revolution at the Yellow River in Honan and at the Shantung border in the East, their reasons for this being based upon the primary instinct of self-preservation. But it is extremely unlikely that their wishes will be gratified for the Nationalist movement has now gathered too much momentum to be stopped at any designated place by a foreign Power or even a group of Powers, Japan, Britain and Italy, for instance.

Military Plans Kept Secret

The Nationalists, both Hankow and Nanking, naturally keep their military plans secret, but that they could be induced by any kind of arrangement to stop the Revolution at the Yellow River does not appear logical, chiefly because Marshal Chang Tso-ling has nothing to offer that would interest them. Furthermore it does not seem logical that the Nationalists, after so many years of preparation and so many months of fighting, would now consent to leave Chang Tso-ling in power, particularly when they know him so well and have had experience in past dealings with him. So long as Chang Tso-ling and his followers remain in power in North China there can be no such thing as unification of the country, the reason being that Chang has no political ideals in the modern sense and has never hesitated in the past to sell out to anybody with the price to pay. Therefore, there may be dissension and squabbling in the ranks of the Southerners, but one one point they are united: the elimination of Chang Tso-ling and all that he stands for in the Chinese political scheme of things.

The Plan of Campaign

As stated in the foregoing, the Nationalist military leaders keep their plans to themselves, but despite the secrecy regarding military movements logic would seem to point to the fact that the first objective of the Nationalists, particularly Generals Chiang Kai-shek and Feng Yu-hsiang, would be to drive the Fengtien bandit general Chang Chung-chang out of Shantung province. As the situation stands today, Feng and Chiang control the Lung-Hai Railway from its source to the Yellow Sea, the port of Haichow having been captured by Chiang Kai-shek's forces some time ago. Then in addition to this, Chiang Kai-shek's forces are also reported to have captured the town of Ichowfu, which is important since it opens the way for a flank movement on Tianfu, the place where Gen. Chang Chung-chang apparently decides to make his first definite stand against the Nanking Nationalists. In the mean time Chiang's main force is marching forward along the Tientsin-Pukow Railway. While these movements are in progress, Feng Yu-hsiang is steadily moving eastward along the Lung-Hai Railway and is also dispatching a force toward the Northeast from the town of Changte in northern Honan with the idea of advancing on the town of Tamingfu in western Shantung and then on toward Techow in Northern Shantung beyond the Grand Canal. Should Feng be successful in this drive and the chances are that he will, it will have the inevitable consequence of forcing Chang Chung-chang to evacuate all of Shantung, something which is likely to take place at any time in the near future.

Who Will Do the Peking Fighting?

There has been much propaganda tending to show that Yen Hsi-shan, tupan of Shansi province, would ultimately side with Chang Tso-ling, but in our opinion, this is again pure moonshine, for Yen has everything to gain by joining the other side. Yen, basing our opinion on his past, is interested primarily in holding his own province and in the consummation of this desire he has been dickering with both Chang Tso-ling and the Southerners, but the fact that he has adopted the Nationalist flag is indicative of his real sympathies. On the other hand, Yen, however fears Feng Yu-hsiang, so in order not to antagonize him the Sontherners plan their campaign so as not to directly menace Shansi province. This explains how it is that Feng apparently has decided not to advance northward on the Peking-Hankow Railway, but to swing toward the northeast into Shantung. This will leave the way open for Yen Hsi-shan to attack Fengtien at Tsinghingsien on the Peking-Hankow Railway where Chang Tso-ling has a large force concentrated. Yen, as stated previously, probably would rather refrain from fighting as he has done in the past, but he is now in a position where he must move, otherwise Feng Yu-hsiang and Chiang Kai-shek may shortly be in a position to squeeze him out of his position in Shansi province.

Situation Now at a Lull

Actually there is very little fighting at the present, the reason being that both sides are enjoying a needed breathing-spell and a marshalling of forces for the final struggle, which is likely to be a bitter one. As these lines are written Chang Tso-ling is holding a conference in Peking with Chang Chung-chang, Chang Hsueh-liang, Yang Yu-ting, Sun Chuan-fang and others of the northern military factions to decide upon a plan of campaign to stay the Nationalist avalanche. At the same time the Nationalists and their allies are also holding a series of conferences at Chengchow in Honan, to likewise decide upon a course of procedure. Just when the fireworks will start no one can say, but probably within a month. At any rate the Nationalists seem to be well on the way to a consummation of their ambitions to occupy Peking before the end of the Summer or by the National Chinese holiday early in October. What is likely to happen to Chang Tso-ling ultimately, is still in the laps of the Gods, but the chances are that a defeat this time may so damage his prestige that the long-expected and overdue rebellion in Manchuria may unseat him entirely and bring in another ruler in that sphere, possibly Gen. Yang Yu-ting, who is a younger man with younger ideas who would be able to cooperate with the Nationalists in a program of unification.

41-094

From the Chinese Press

May 7—Feng Yu-hsiang appoints Gen. Sun Liangchen as director of operations at front in Honan—Gen Shirakawa, Japanese War Minister, reports in Tokyo that through the 'good offices' of Gen Yang Yu-ting, chief staff of Chang Tso-ling that a compromise was being effected between Chang Tso-ling and Yen Hsi-shan and that as a result it would not be necessary to move Japanese troops from Tsingtao to Tsinan —*Toho* message from Ichang states that due to paper money and taxes the native banks have suspended—*Toho* report from Peking tells more about reported alliance between Yen Hsi-shan and Chang Tso-ling stating that Chang Hsueh-liang and Han Lin-chun of the Mukden army are favorable—*Toho* report from Peking states that Yan Hsi-shan raids secret propaganda bureau of Feng Yu-hsiang in Taiyuanfu, capital of Shansi—*Toho* and Reuters reports from Peking state that serious difference of opinion regarding removal of American Legation from Peking to Tientsin has developed between General Butler and Minister MacMurray and that both are telegraphing Washington for instructions, Butler favoring removal and MacMurray favoring remaining with the British and Japanese.

June 8—Generals Chang Hsueh-liang and Han Lin-tsung of Fengtien return to Peking from front to discuss peace movement—*Kuo Wen* states that Nanking Government has under consideration to tax salt used in the foreign settlements at Shanghai, the amount consumed being estimated at $280,000 a year—Nanking Nationalists claim to have captured five cannons, three machine guns and a few hundred rifles from Chow Yin-jen's forces at Furling, northern Kiangsu—Nanking appoints Chow Yoong-lun as financial commissioner of Anhwei—Feng Yu-hsiang's forces capture Changteh, Honan—Hsuchowfu report states that retreating Shantung troops loot and burn many villages of Northern Kiangsu—Sun Chuan-fang with body guard of 500 men arrive in Tsingtao from Haichow—Chang Tso-ling, according to *Kuo Wen* telegraphs Yen Hsi-shan urging cooperation in the elimination of Communists, but Yen didn't reply—Wang Ching-chih, Chinese Minister to Belgium, departs from Peking for his post—Chang Chung-chang, reported short of funds sends representatives to Chang Tso-ling for relief—General Duncan, commander of British forces and Lampson, British Minister arrive in Tientsin on their way to the Capital—British and American chambers of commerce at Hankow reject proposal for economic blockade owing to the belief that trade may resume shortly—Yusuke Tsurumi, well-known Japanese writer and lecturer (in English) arrives in Shanghai on an inspection tour—Japanese Foreign Office announces plans for economic conference to discuss measures for developing Japan's trade with China and extending relief to Japanese traders suffering from the Chinese political situation.

June 9—*Kuo Wen* states that arrival of 2,000 American Marines in Tientsin 'caused the community to be rather excited'—Nationalist troops reported as advancing on Tsinanfu by three routes—C. C. Wu, Nanking Minister of Foreign Affairs, suddenly goes to Nanking to consult with Gen. Chiang Kai-shek, following which Gen. Chiang will return to the front at Hsuchowfu—Han Kuo-chun, former civil-governor of Kiangsu arrested at Jukao by the Kuomintang troops, but later released—Martial law declared at Tsingtao, even military men being prohibited from carrying arms—Nanking holds elaborate lantern procession to celebrate Chiang Kai-shek's victory in Northern Kiangsu—Nanking Nationalists announce new educational plan for China which includes abolition of the position of provincial educational commissioners and the creation of four university districts, each with a 'Chungshan' university, the districts to be Kwangtung, Hupeh, Chekiang and Kiangsu—Nanking Ministry of Communication orders Shanghai-Hangchow Railway to immediately begin construction of a line connecting Shaoshing and Ningpo—*Toho* (Japanese) Agency reports details of Japan's reply to China's protest regarding the landing of Japanese troops at Tsingtao to the effect that since the Nationalists had failed to protect Japanese nationals that Japan was going to attend to the matter herself; claims there are 20,000 Japanese in Shantung at Tsingtao and along the Shantung Railway—*Toho* interview with Chang Tso-ling states that Chang is maintaining friendly relations with Yen Hsi-shan of Shansi, but that he will 'fight to the last ditch' against Feng Yu-hsiang; that while Chang Tso-ling believes in some of the Sun Yat-sen principles he cannot swallow all of them; that Chang is not so sure of Chiang Kai-shek's attitude toward the Communists, hence a compromise with him is 'utterly unfounded'—*Toho* reports that—'Guerrillas' of the Northwest army are appearing secretly in the Peking area—Tokyo states that owing to the growing seriousness of the North China situation that Minister Yoshizawa and the Japanese

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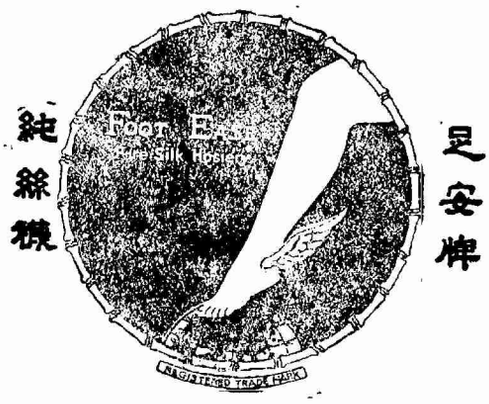

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Consuls in China will not be recalled to Tokyo for a conference as previously announced—Hankow report states that the Wu-Han Government has called a military conference at Chengchow, Honan, for the purpose of considering the situation—*Toho* states that Gen. Tang Shen-tse has put up posters denouncing Chiang Kai-shek and alleging that Chiang was responsible for the attempted coup d'etat at Hankow of Gen. Hsia To-yin, which was suppressed.

June 10—Many of Sun Chuan-fang's troops in northern Kiangsu under Gen. Tsung Chun-yen, have surrendered to the Nationalists and will be reorganized—Prospects do not seem to be so bright for an alliance between Chang Tso-ling, Yen Hsi-shan and Chiang Kai-shek and Chang Tso-ling declares his intentions of defending himself—Fengtien forces in northern Honan withdrawn to Shichiachwang and Chenting—Ministry of Finance at Nanking announces conference on finance to be participated in by superintendents of Customs, Salt, and other financial officials—Serious panic prevails in Tsinanfu, Shantung, where the tupan Chang Chung-chang has executed many merchants owing to the financial situation—Wellington Koo and other Cabinet officers expected to resign—Gen. Li Ching-lin, formerly with Fengtien and Chihli, but now in Shanghai, has been appointed pacification commissioner of Chihli and Shantung by Gen. Chiang Kai-shek—Nan Kuei-hsing, representative of Yen Hsi-shan in Peking suddenly returns to Shansi, stating impossibility of effecting cooperation between Chang Tso-ling and Yen Hsi-shan—*Toho* report from Tayeh (near Hankow) states that Gen. Hsia Tou-yin is again on the move and has defeated the Hankow troops and armed laborers in Tayeh and may move on Wu-Han again—Viscount Shibusawa and Mr. Kodama of Sino-Japanese Industrial Association call on Premier Tanaka to discuss plans for reviving Japanese business in China—Wong Jung-pao, Chinese Minister to Tokyo in newspaper interview protests presence of Japanese troops in Tsingtao—Japanese, American, French, Italian Ministers in Peking meet to hear report of Sir Miles Lampson regarding Nanking status—Serious financial crisis in Tsinanfu following withdrawal of Chang Chung-chang's troops from Hsuchowfu, Chang's paper currency dropping to nothing.

June 11-12—Japanese interests in Osaka owning cotton mills in Shantung decide to curtail production during present situation—Fengtien troops in Kalgan area reported evacuating—1,400 defeated troops formerly under Sun Chuan-fang arrive in Tsingtao from Haichow on Japanese steamer—Fengtien leaders hold important conference on policy in Chang Tso-ling headquarters in Peking—Sun Chuan-fang and Chang Chung-chang arrive in Peking for Conference—Representatives of Feng Yu-hsiang, Yen Hsi-shan and Chin Yun-ao confer in Chengchow and stated that possibly region north of Yellow River will be turned over to Feng Yu-hsiang—Hankow report by *Toho* claims that Yang Sen defeated forced to retreat up river to Chinkiang, but that Hsia Toy-yin's troops are advancing on Wu-Han—Chinese organizations in Canton hold mass meetings make protests against Japanese troops landing at Tsingtao and Tientsin—Japanese Minister Yoshizawa in Peking in *Toho* interview declares that Japan has nothing whatever to do with the negotiations respecting a compromise in north China and that all Japan is interested in peace and order in the Peking-Tientsin area—Peking Foreign Office lodges formal protest regarding landing of American Marines in Tientsin stating that foreigners are not endangered in North China and that the American action is contrary to the Washington Conference and a violation of China's integrity—Sun Chuan-fang, in Peking interview says that he is opposed to the 'Three People Principles' and has no intention of adopting the Nationalist flag—*Kuo Wen* states that Fengtien conference in Peking decides to request Yen Hsi-shan to withdraw his troops within Shansi province—Gen. Bei Bao-san announces his retirement and his two subordinates Generals Li Chi-feng and Chiang Yi announce that they have become Nationalists—Two companies of British troops arrive in Peking from Tientsin—*Kuo Wen* states that Americans in the Peking area have been told to 'remove to elsewhere' but that the Legation staff will remain in Peking—Reported that Gen. Chang Hsueh- liang is seriously ill as a result of the Honan defeat and is not receiving visitors—Chiang Kai-shek appoints Gen. Li Yin as vice-police commissioner of Shanghai—*Kuo Wen* reports that May customs receipts amount to $6,000,000—Gen. Chiang Kai- shek makes sudden trip to Hangchow without stopping at Shanghai—Gen. Huang Fu announces that he will establish his office as Mayor of Shanghai in the City Magistrate's Yamen.

June 13.—Toho report states that Feng Yu-hsiang may be stationed in Honan and that part of the forces of Tang Shen-tse in Honan may be brought back to Hupeh—Yoshizawa announces that he will return to Tokyo for a

(*Continued on page VI*)

New Books of Interest in the Far East

A New Novel with Peking Setting

Lotus of the Dusk, by Dorothy Graham. New York: Frederick A. Stokes Company, 1927. Pp. 310 G. $2.00

Dorothy Graham, the author of this strongly written and truly compelling story of modern China, is the wife of James Bennett whose novel, *The Manchu Cloud*, was reviewed in this magazine a few weeks ago. Having established a reputation as a writer of short stories and travel sketches before her marriage, Mrs. Bennett continues to write under her own name. With her husband she came to China in 1924 where she ensconced herself in Peking for a year. Here she gathered material, part of which has been incorporated in this story and part in *The Moon Door*, a delightful narrative of the life of Westerners in China's ancient capital city.

It is difficult to say which of Dorothy Graham's books on China is the better. Comparisons are sometimes odious and generally unnecessary; suffice it, therefore, to say that *The Moon Door* is one of the most charming books which the reviewer has seen, while *Lotus of the Dusk* is the most realistic work of fiction on pseudo-Republican life in China which has yet appeared. A most difficult topic—that of the marriage of a Westerner with an Eurasian—is handled with skill and sympathy. In bold strokes the characters are painted; their strength and weakness cleverly depicted. The extraordinary powers of observation of the writer are evidenced in the wealth of minute detail dealing with the social life of Occidentals and Orientals in Peking with which the narrative is developed. Without divulging the plot itself and thereby robbing the reader of the pleasure which the story cannot fail to give him it may be remarked that the student movement plays a significant part in the story, the effect of the Nanking Road incident of May 30, 1925 upon the Peking students being skillfully and, on the whole, not unfairly depicted. Aside from its plot interest the story is well worth reading for its psychological portrayal of old and young China versus old and young non-China in the capital of a potentially great nation.

H. F. MacNair

Political Science Dept.
University of Washington, Seattle.

Women In Ancient India.

By Clarisse Bader. London: Kegan Paul, Trench Trubner & Co. Ltd. (Trubner's Oriental Series)

In India the common word for woman is Devi, which means a goddess. In the laws of Menu it is clearly stated that the gods dwell with those men who revere their women. No Hindu religious ceremony is complete without the presence of the wife of the sacrificer. Many of the most beautiful songs of the Rig Veda are composed by women. A Hindu warrior before starting for a battle field, is dressed by his wife, who reminds him of his duties to his religion, country and humanity. She is the first to receive him on his return from his field of glory, and sing to him songs of praise.

"I reign, I command," exclaimed Indrani, wife of Indra, in a hymn of striking lyrical beauty, attributed to the goddess herself. "My husband inspires terror. I am the victorious one: May my husband recognize my strength. O Devas! it is I who made the sacrifice from which the great and glorious Indra derived all his strength." (Rig Veda).

The Hindu ideal of marriage means incorporation of the wife and the husband into one complete whole. The union is not only for acquiring worldly prosperity, but also perfection of the soul. They are united inseparably, and must act in agreement in all matters. Kings take advice of their wives in matters of state, and Brahmins discuss the subtle riddles of life with them.

In the Upnishadic age we find women playing a very prominent role as philosophers. Gargi, a young girl of exquisite beauty, intoxicated with the ideal of Nirvana, walks on the earth like a great princess, and in the philosophic discussions, in the court of King Janaka, silences all the great thinkers of the day.

Maitreyi, the beloved wife of the great Sage Yagnyavalka, is not satisfied by the great amount of wealth offered to her by her husband, before retiring to the forests, for a contemplation of the Infinite. "Give me that which will make me immortal, my Lord," cries she. And the Sage imparts to her the secret knowledge of Self (Atman) by knowing which nothing else remains unknown. Schopenhauer calls women 'Philistines' past all cure, that is to say, beings who rarely feel inclined to renounce real tangible luxuries for the sake of intellectual or of spiritual blessings. Nature itself makes of woman a conservative force. Are we then not to give paramount importance to Maitreyi's words of contempt for temporal wealth and of indomitable yearning after eternal bliss?

The most beautiful figure in India's greatest lyric poems is Sita who followed her husband, Rama, to exile for fourteen years, living in extreme privations and overcoming all the temptations of the Emperor who had kidnapped her; she is the ideal woman of India.

Shakuntala, immortalised by Kalidas in his great drama, was one of the inspirers of Goethe.

The book under review is a literary production of very great merit and has been crowned by the French Academy. It is a real pleasure to go through its soft, smooth passages. There is not a single dull page in the book.

Those who are unable to read Sakuntala or Ramayana in Sanskrit are advised to read this book. It is of special value to the Chinese young ladies who are indiscriminately copying the ways and practices of the modern Western women, in giving them real ideals of womanhood.

H. P. Shastri

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September	12	,,	,,	34	,,	2
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Czecho-Slovak Govt. Sinking Fund Loan...	8	Oct. 1, 1952	108½	108½	7.25
Czecho Slovak Government Ext. S.F. Loan..	7½	Oct. 1, 1945	105¼	105¼	7.00
Republic of Chile S. F. Loan	7	Nov 1, 1942	100½	100⅝	6.95
Argentine Government Ext. S. F. Loan.....	6	May. 1, 1960	99	99½	6.05
Kingdom of Italy, Ext. S. F. Loan.....	7	Dec. 1, 1951	95¾	95¾	7.40
Austrian Government S. F. Guaranteed Loan..	7	June 1, 1943	103¾	103½	6.65
French Government Ext. S. F. Loan.....	8	Sep. 15, 1945	110⅝	110¾	6.95
Japanese Govt. (£)	5	1907/1947	78¼	78¾	7.00
German Governments S. F. Loan.....	7	Oct. 1, 1949	107⅓	106½	6.45
Deutsche Renten Bank 1st Lien Farm Loan	7	Sept. 15, 1950	102⅛	102¼	6.80
Saxon Public Works Inc. 1st Mtge. Guaranteed S. F. Loan....	7	Feb. 1. 1945	102½	102	6.80
German General Electric Co. S.F. Loan....	7	Jan. 15, 1945	104⅛	104⅛	6.60
Finnish Guaranteed Municipalities S. F. Loan	6½	Oct. 1, 1954	99	98½	6.60
Chicago Rapid Transit 1st. & Refunding Mtge.	6⅛	July 1, 1944	98	98	6.70
Northern Ohio Power & Light Co. Debentures .	6½	Jan. 1, 1941	98½	98½	6.65
Cuban Domin. Sugar Co. 1st Lien S. F. Loan...	7½	Nov. 1, 1944	100½	100½	7.45
Camaguey Sugar Co. 1st Mtge. S. F. Loan	7	Oct. 15, 1942	100⅛	100⅛	6.95
Pennsylvania Dixie Cement Corpn. Cumulative	7	Pfd. Stock	100	100	7.00
Victor Talking Machine Company Cum. Prior..	7	Pfd. Stock	98⅛	98⅛	7.13
Willys Overland Co.....	7	Pfd. Stock	91	90	7.78
The National City Bank of New York.....	20	Stock	549	552	3.62

The National City Company, The National City Bank Building, No. 2A Kiukiang Road, Shanghai, China.

These quotations are subject to confirmation by the National City Company of New York.

Shanghai Exchange for Week Ending Wednesday, June 15, 1927

By Maitland, Fearon and Brand

Exchange:—An improvement of ⅛d. in the price of Bar Silver in London has taken place during the past week: today's quotations being 26 5/16 ready and forward The official T/T rate on London remains unchanged at 2/6 3/4d. The exchange market has ruled dull and inactive with very little fluctuation in rates some export paper, mainly against tea and silk have been placed but the demand against imports is still very small. The market closes particularly quiet with the following rates for gold remittances available:—T/T on London 2/7 3/16d., New York 63 5/8, Yen 73 1/8.

Our stocks of silver are reported as follows:—

Sycee and Bar Silver.....Tls. 75,986,000 a decrease of Tls. 1,966,000
Chinese and Mexican Dollars.....$ 76,660,000 an increase of $ 2,700,000
Estimated value Tls. 131,181,000 as against Tls. 113,269,000 held at this time last year.

	Average rates for May	Thursday June 9	Friday June 10	Satur. June 11	Mon. June 13	Tuesday June 14	Wednesday June 15
Bank's selling rates		*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*	*opening closing*
T/T London	2/6.394	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4	2/6 3/4
D/Dfts ,,	—	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 13/16	2/6 11/16
4 m/s ,,	—	2/7	2/7	2/7	2/7	2/7	2/7
T/T India	169.250	171½	171½	171½	171½	171½	171½
T/T France	1,567.885	1585	1585	1585	1585	1585	1585
T/T N. Y.	61.538	62¼	62¼	62¼	62¼		
T/T Hamburg		262½	262½	262½	262½	62¼	62¼
T/T H'kong	79.759	78⅛	78⅛	78⅛	78⅛	26¢½	26¢½
T/T Japan	76.557	74⅛	74½	74½	74½	78⅛	78⅛
T/T Batavia	152.942	155	155	155	155	74½	74½
T/T Straits	91.567	90½	90½	90½	90½		
Bk's Buying rates						155	155
4 m/s B/L Cred. D/A	2/8.394	2/8¼	2/8¼	2/8¼	2/8¼	90½ 2/8¼	90½ 2/8¼
4 m/s ,, D/P	—	2/8⅞	2/8⅞	2/8⅞	2/8⅞	2/8⅞	2/8⅞
6 m/s ,, B/L Cred D/A	2/8.707	2/9 1/16	2/9 1/16	2/9 3/16	2/9 1/16	2/9 1/16	2/9 1/16
4 m/s B/F Cred D/A or D/P	1,697.885	1715	1715	1715	1715	1715	1715
4 m/s N.Y.Lc.	65.038	65⅜	65⅜	65⅜	65⅜	65¼	65¼
4 m/s ,, Docs	—	66¼	66¼	66¼	66¼	66¼	66¼

†Based on Daily Official quotation, higher rate taken on rising Market, lower when falling Bullion.	June 9	June 10	June 11	June 13	June 14	June 15
*London Price of Bar Silver per oz. (English Standard 925 touch)...Pence	26 3/16	26⅜	26¼	26¼	26¼	26¼
**New York Price of Bar Silver per oz. (Pure)	G. $.56¾	G. $. 57⅛	G. $. 57	G. $. 57	G. $. 57¼	G. $.57
Shanghai Price of Gold Bars (weight Tls. 10 (Chanping) 978 touch).....	Tls. 358.50	Tls. 358.00	Tls. 356.00	Tls. 355.50	Tls. 358.00	Tls. 358.00
Shanghai Silver Bars (weight Tls. 100 (C.) 999 touch)	110.00	110.00	110.00	110.00	110.00	110.00
Shanghai Mexican Dollars per $100....	72.575	72.3	72.3	72.3	72.4125	72.45
Native Bank Rate of Interest (Call money).....	Nil	Nil	Nil	Nil	Nil	Nil
*Closing Price in Lond on for Previous day						
**Closing Price in New York for Previous day						

Bank of England rate of discount	4½%	London Paris on	T/T 123.90
Bank of France rate of discount	5%	New York on London	T/T 485 1/16
London open Market of Dis. 3 m/s	4 3/8%	Bombay on London	T/T 1/5 7/8
,, 4 ,,	4 3/8%	Hongkong on London	T/T 2/0
,, 6 ,,	4 3/8%	Kobe on London	T/T 1/10 7/8